

Rural Women As Business Entrepreneurs:

Leaders' Guide and Workshop Manual

Women's Career Resources
Alberta Career Development
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Becoming A Dynamic Force

Rural Women As Business Entrepreneurs

Throughout rural Alberta in the last few years, great interest has been expressed by women for education in entrepreneurship.

As the smaller family farms are assimilated into large corporate farms and worked by fewer farmers, the population base and the lifestyle of the family farm is declining. Rural communities are declining along with the family farm. Finding employment in shrinking rural communities is difficult, as is finding childcare and other support services. As well, the seasonal and weather dependent nature of farm work demands a more flexible employment situation than many women are able to find.

Increasingly, rural women are looking at, and turning to, self-employment as a way of supplementing income, and achieving some measure of economic independence. In the case of farm women it may be a means of keeping the family farm.

Surveys point out that farm women do it all and do lots of it. From spring to fall, farm women spend about 31 hours a week doing farmwork (driving equipment, caring for the animals, working in the fields), and 41 hours at housework. If the husband works off the farm, the on-farm labour of the wife will increase proportionately. While farm women's work is largely unrecognized in monetary terms, a farm without a woman is much more difficult to manage.

While many farm women carry a double workload, a large number carry triple: about 31% of farm women are employed at off-farm jobs, contributing over a third of the total family income. A great many more say they would like to have off-farm work if they could find it. Many women are expressing an interest in starting a small business as a method of supplementing the family income.

In Canada, 80% of new jobs were created by small business between 1978 and 1987. Women in Canada created more than 50% of the number of small businesses that were started between 1980 and 1985, venturing into traditional women's businesses in the service and retail sector, and making inroads into such non-traditional businesses as mining and forestry.

For any woman, urban or rural, there can be a number of hurdles along the way to entrepreneurship: lack of self-confidence; lack of recognition of the transferability of skills and education; lack of knowledge of financial matters, unfamiliarity with business planning and marketing concepts; and fear of financing.

As a group, rural and farm women must contend with a few extra hurdles: the seasonal demands of the farm; the psychological bind that may be incurred by the value they often place on the traditional homemaking role; obligations to parents and to the community; distance from sources of education and consulting services when developing a business; little choice in such business services as lawyers, accountants, and banks; isolation from like-women and supportive groups; and smaller and less wealthy markets. As well, obtaining financing can be a major hurdle, since the assets of the farm and family are often secured to other loans or financial arrangements.

It becomes critical, then, to plan the business carefully since success is more likely with good planning. The workshop that follows will address the hurdles along the way to entrepreneurship in a rural location, and provide a planning framework for entrepreneurship.

Women's Career Resources

This workshop was initially developed in response to a request from an agency working with rural women. It provides women with an opportunity to learn the basics of business planning and to apply them to a rural location, in a group of like-minded women.

Pilot workshops were undertaken by Women's Career Resources, a unit within Alberta Career Development and Employment. Sponsoring the workshop in Evansburg was Alberta Family and Community Support Services and Alberta Agriculture. The sponsor in Claresholm was Alberta Agriculture. Notable feelings of community were observed and developed over the course of each of the pilot workshops. Women shared concerns, dreams and solutions, and supported each other's family situations over coffee breaks and bag lunches. Potential new business associates and new friends were discovered. Informal support groups were called for. The participants' positive response to the workshop prompted them to request that other related courses be made available through local agencies.

Throughout the workshops, excitement and energy ran high. During the workshops, class lists with telephone numbers and addresses of participants were distributed in an effort to maintain the network. Women went home weary and came back early. The thoughts that some women had before the workshop about becoming entrepreneurs developed into the beginnings of business plans and action plans. The workshop was valued and we pass it along to be delivered by you.

RURAL WOMEN AS BUSINESS ENTREPRENEURS

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GROUP LEADERS' HANDBOOK

1. PURPOSE OF THE WORKSHOP

The purpose of this workshop is to provide rural women with an awareness of entrepreneurship and an action plan for becoming an entrepreneur.

Objectives

After completing this workshop, each participant will be able to:

- Identify characteristics of a successful entrepreneur
- Identify her own entrepreneurial strengths
- Identify business opportunities for rural areas
- Identify steps for developing a business plan, and outline components of a business plan
- Identify other women in the community who have an interest in entrepreneurship, and begin to establish a network.

2. WORKSHOP OVERVIEW

1. The workshop has been designed to be covered in a minimum of 2 1/2 days, or one evening and a weekend. Two workshop leaders are required.
2. The workshop is designed to be delivered to a group numbering 10-20 women.
3. As a way to reinforce the professional business aspects of the program, and to stress its participatory nature, it is recommended that the workshop be held in a boardroom setting with everyone around a large table. If it becomes necessary to use a traditional classroom, ensure that the desks are arranged in a comfortable, non-threatening manner. Provide facilities for group work.
4. The workshop is designed to be flexible. Leaders should use their own judgement in selecting materials appropriate to their specific group by becoming aware of the different work backgrounds and educational levels of the participants.
5. The information presented by the instructor should be considered a starting point. Questions from the participants should be invited, and they should be encouraged to do further research on a specific business or area of interest.
6. Early in the workshop time has been set aside for a presentation by a successful, local business woman.
7. The workshop schedule includes the viewing of two films. For the first viewing the use of either "In The Company of Women," produced by The Province of New Brunswick or "Enterprising Women" produced by the National Film Board, is recommended. Both films focus on businesses owned and operated by women. For the second viewing, "A Head For Business," by Video Arts Productions could be used. Although British, and about men, it is humorous and follows a business concept from inception to success. All films can be borrowed from the Library, Alberta Career Development and Employment at 422-4752.
8. Provide a copy of **Self-Directed Career Planning Guide** and **Are You Cut Out To Be An Entrepreneur** for each participant. These can be obtained from the Learning Resources Distributing Centre - Alberta Education, 12360 - 142 Street, Edmonton, Alberta T5L 4X9; Telephone (403)427-2767.
9. While every effort has been taken to ensure the accuracy and inclusiveness of the addresses, telephone numbers and funding information provided, this information will need to be updated occasionally. Please advise your participants that some degree of deviation from the information provided may be discovered.
10. While this is a non-credit workshop, "Participation Certificates", or similar recognition for attendance, may be given if the leader wishes.

3. TARGET AUDIENCE

This workshop has been designed specifically for rural, farm and native women who are interested in obtaining knowledge and skills in entrepreneurship.

There are no set prerequisites for entry into the course, so the knowledge level of participating women will vary. While some women will be well on their way to establishing a business, others will just be thinking about the process.

Women interested in entrepreneurship often have few resources, and need support for their business concept, their self-esteem, and the various feelings they may be experiencing.

There are a number of barriers which characterize this group: distance from educational and support services, lack of access to childcare, low family support, cyclical rural economy, small or distant communities and markets, few community resources and few role models.

Because the course is designed for rural, farm and native women, factors which will impact on their attendance must be taken into consideration when scheduling the course. Women attending the course may be currently employed full time. Others may have childcare responsibilities during the week. To facilitate attendance, on-site daycare may also be considered.

The needs of the client group will depend upon the community; so take great care to schedule the course during convenient days and hours, taking into account seasonal weather conditions, harvesting, religious holidays and cultural festivals,

4. LEADER CHARACTERISTICS

While it is not mandatory, ideally the leaders for this workshop will be women who have a good understanding of the process of starting a business.

They will have a good command of the materials, methods and tools used in this workshop.

Leaders will have well-developed group facilitation skills, including the ability to teach adult learners and to be sensitive to the needs of the individual participants.

They will have a good understanding of the problems that face women who want to start their own businesses, and a sensitivity to the culture(s) of the target group.

Ideally, the leader will be someone who has experienced, first hand, the difficulties of managing a home and a business.

The leader will represent a positive role model for the women in the group.

The leader will be able to choose solid resource people who are able to share their knowledge with non-experts.

5. ADVICE FOR GROUP LEADERS

1. **Know your group** - Levels of knowledge and expertise will vary among group members. Organize the workshop in a way that will satisfy your client group. Ensure that the information and materials presented are at an appropriate level. You might find it necessary to provide additional materials to those at a more advanced level. Monitor the group's progress closely to ensure you are meeting their needs. Schedule the workshop to meet the needs of the participants.
2. **Set the climate** - Make sure you create an atmosphere in which participants will feel comfortable and relaxed.
3. **Introduce the workshop** - Before getting started, ensure that all participants are aware of the goals and expectations of the workshop. Review the workshop outline with them and determine if any changes must be made to better meet the needs of the participants. Advise the participants of any speakers and/or films you will be using.
4. **Utilize the participants' expertise** - Recognize the experience of the members of the group. Those who are further along the process of starting their own business will be able to share valuable information with other group members. Arrange to have lunch together to facilitate information sharing and network formation.
5. **Have resources available** - There are a wide variety of materials that are available to assist individuals who want to start their own businesses. Ensure that you are aware of any information that is especially relevant to the local community. Information and brochures can be obtained from a variety of government departments and business organizations. Contact the appropriate people in advance of the course so that you can have the information on hand. A list of the addresses can be found at the back of this manual.
6. **Prepare flipcharts and other teaching aids in advance**, and modify the workshop to suit the group, stimulate discussion, and keep energy high.
7. **Encourage each participant to keep a journal** of her thoughts, ideas and progress toward her business. Advise them to keep notes on telephone calls, addresses and concepts all in one place! This journal will become invaluable.
8. **For additional resources** contact the Library, Alberta Career Development and Employment, 9th Floor, 10155 - 102 Street, Edmonton, Alberta, telephone: 422-4752 and the Consultants at Women's Career Resources, Alberta Career Development and Employment, 9th Floor, 10155 - 102 Street, Edmonton, Alberta, telephone 422-1794.
9. **Evaluate the workshop** - Ensure that participants have an opportunity to complete a workshop evaluation before they leave so they can provide you with feedback. Sample evaluation forms are included.

6. THE IMPORTANCE OF SMALL BUSINESS

A small business is generally defined as an enterprise employing less than 50 employees, and having gross yearly sales of less than \$1,000,000.

Small business owners are important to the economy for the following reasons, they:

- a) create employment
- b) respond to consumer demand
- c) create new products and services
- d) encourage better and/or lower cost production through competition
- e) help to maintain or lower prices through competition
- f) contribute to economic growth
- g) encourage greater efficiency/productivity, which can enhance international competitiveness
- h) provide an alternative to goods and services provided by large corporations

In Alberta in the mid 1980's, 26% of the total labour force was employed in small business.

7. WOMEN AND SMALL BUSINESS

A private Canadian study found that 47% of women entrepreneurs make it through the first year of business compared to 25% of men entrepreneurs. (Financial Times, July 22, 1985, p. 11)

Researchers have found that women entrepreneurs use more resources than men entrepreneurs to prepare for their enterprise. Women take more business courses and read more books related to starting their own business.

It is felt that the difference in success rates between men and women can be attributed, in part, to better preparation by women before opening a business.

Statistics Canada has found that three times as many married women than divorced women start their own businesses. Only one in six business owners is single. Easier access to loans from banks, and financial resources from families, account for some of the discrepancy. Family support systems can also make it easier for married women to persevere with their plans to open a business. Limited mobility can make it more difficult for a married women to obtain suitable employment.

Lending criteria at banks can make it difficult for single women to secure a loan.

Women in small business are not achieving the same monetary success as are men. A 1982 working paper from the Canadian Small Business Secretariat supports the fact that, on average, women are owners of less profitable businesses than men. The explanation for the discrepancy, provided by the Secretariat, is that women's businesses are clustered in the retail and service sectors of the economy. Traditionally, these areas tend to be less profitable than other areas of business such as manufacturing. In 1984, Statistics Canada found that 53% of self-employed women engaged in community and personal services, while 27% were involved in retail or wholesale businesses. Only 10% of women operated businesses in agriculture or manufacturing. It would appear that while women are venturing into business ownership, they are remaining in sectors of the economy which have traditionally been relegated to female workers. Yet in 1985 Kristin Shannon, a Canadian economist suggested that the businesses traditionally started by women are in exactly those sectors of the economy to survive in the post-manufacturing era.

It is important for instructors of this workshop to ensure that women understand the profit-making limitations of traditional, women's businesses. Women, who are motivated by monetary success, should investigate alternative sectors of the economy. Opportunities in the manufacturing and technological sectors of the economy should be discussed. Leaders should also be aware however, that some women will be able to satisfy their goals and expectations by starting what have been referred to as "traditional women's businesses".

8. RURAL WOMEN AND SMALL BUSINESS

Rural women have consistently expressed a desire and need for entrepreneurial education. In many rural areas, job opportunities are limited and women are looking for ways to contribute to the economic support of their families.

Many rural women have already developed the skills required for small business management. Farm women have historically been involved in the selling of produce, managing of farm personnel, and the organization of both home and farm operations. Farm women are also aware that personal commitment is often the key to the successful operation of a business.

Rural women who want to work outside the home sometimes find themselves in a psychological bind because of the value they place on the traditional homemaking role. One of the key factors in the entrepreneurial training of rural women is to help them start a business which does not conflict with these important values.

Rural women can be limited by their inability to relocate when starting a new business. This, as well as factors such as education, life situation and life philosophy must all be taken into account when counselling rural women with regards to small business.

Rural women can often start businesses which make use of the traditional homemaking skills they have developed. Examples can be seen in successfully run childcare, clothes designing, and manufacturing businesses which have flourished in the rural areas.

Approximately 30% of rural women already work outside the home. Similar to other working women, many rural women have become disillusioned with the paternalism and sexism that exists in the business world. The lack of flexibility in the mainstream world of work creates problems for women with young children. Starting a business allows women to create an atmosphere, and a set of rules, which is more conducive to their personal situation.

The physical isolation often experienced by rural women can be accentuated by the isolation of being an independent business woman. Women, particularly those in rural areas, have a great need for a strong support network. Rural business women should be encouraged to form support groups so that they realize they are not alone when dealing with business and personal dilemmas.

9. NATIVE WOMEN AND SMALL BUSINESS

This section has been designed for delivery by an instructor to potential group leaders of this workshop. If this section is completed on a self-study basis, it is suggested that leaders get together with their peers to discuss the issues presented. It is recommended that leaders go through this section thoroughly before delivering the workshop to participants in their communities.

Purpose

Often, professionals neglect to consider the importance of an individual's cultural background and the effect it has on the operation of a small business. In addition, there is a tendency to disregard the impact that a successful business might have on their position in the Native community.

Objectives

After completing this module, participants will be able to:

- Define, in general terms, how Native culture differs from a more European orientation.
- Identify and define several cultural issues which have an impact on the development of small business in Native communities.
- Identify several cultural issues which will impact upon the operation of a small business in a Native community.
- Identify strategies which will help Native women deal with the problems they will encounter when starting their own businesses.
- Determine whether or not the values clarification strategy should be carried out on a one to one basis or within a small group setting in the community where the workshop will be delivered.

Learning Activities

Ideally, the objectives of this module will be met through the completion of the following learning activities:

- Attendance and participation in the training session.
- Participation in group discussions.
- Individual reading of the discussion information.
- Discussion and investigation of relevant information outside the workshop with individuals who share similar situations.
- Participation in round table discussions.

The following information and tasks are designed to assist leaders to consider the impact that various Native cultures and their traditions will have on

women who plan to start their own businesses. Directions for instructors are provided in italics.

Instructor provides the following information: (2 minutes)

It is important when dealing with Native people to determine the culture of the individuals. Cree, Slave, and Beaver customs and values are very different from Blackfoot and Blood customs and values. Within each Native tribe there are specific values that should be addressed. The most common mistake for urban oriented leaders is making assumptions and assigning attributes to the Native individuals that they are working with. It is important to investigate the culture of the local people.

The following question is put on a flipchart: (Participants are asked to write out the answer on their own.)

How can you begin to identify the Native culture in your area?

Participants are asked to share their answers with the group.

Instructor provides the following information: (2 minutes)

Much of the discussion about Native culture and how it relates to Native women opening businesses will depend on how traditional or non-traditional the Native groups and individuals within these groups are seen to be. There is a broad spectrum of traditional and non-traditional values, and some anthropologists spend their lives deciding where specific communities fit. For our purposes, it is important for each leader to investigate her own region and to determine the particular characteristics of the group of people with whom they will be working. This will help the leader to develop an action plan to break down the barriers facing Native women in the community, who want to start their own businesses.

Instructor puts the following questions on a flipchart: (Participants are given ten minutes to answer the questions on their own. A group discussion will follow.)

- a) From your experience and general impressions, where on the traditional/non-traditional spectrum, do you think your community would fall?
- b) What are the impressions that lead you to this decision?

Instructor provides the following information: (2 minutes)

An examination of the history of the Cree culture leads to an understanding of their non-materialistic attitude toward possessions and money. As a nomadic tribe, the Cree people had to carry all of their possessions making it important that they only gathered those things that were necessary to their survival. This cultural trait was quite different from that of the white fur traders who came to open up the North.

The Scottish traders who arrived with the Hudson Bay Company wanted the Native people to trap furs so that they could sell them through the trading

posts. They encouraged the Cree to bring in furs by offering them articles in trade, and by encouraging them to acquire more and more possessions. The Native people, however, did not share the same values as the Scots. They had no use to duplicate possessions and could not be enticed by the promise of "five blankets" or "two shovels". As a result, the Scots thought of the Native people as lazy, and the Native people thought that the Scots had not mastered survival techniques.

Instructor asks the group to break into groups of three to discuss the following questions: (Ten minutes is allowed for the discussion.)

- a) To some degree, this non-materialistic attitude is shared by Native cultures today. Should a woman who has a non-materialistic attitude go into business? What circumstances would permit her to do so?
- b) What are the attitudes with regard to material possessions of the women in your area?
- c) Are you aware of any Native women in your area who operate a business? Would you say that the business is operating successfully?

The instructor will provide the following information: (1 minute)

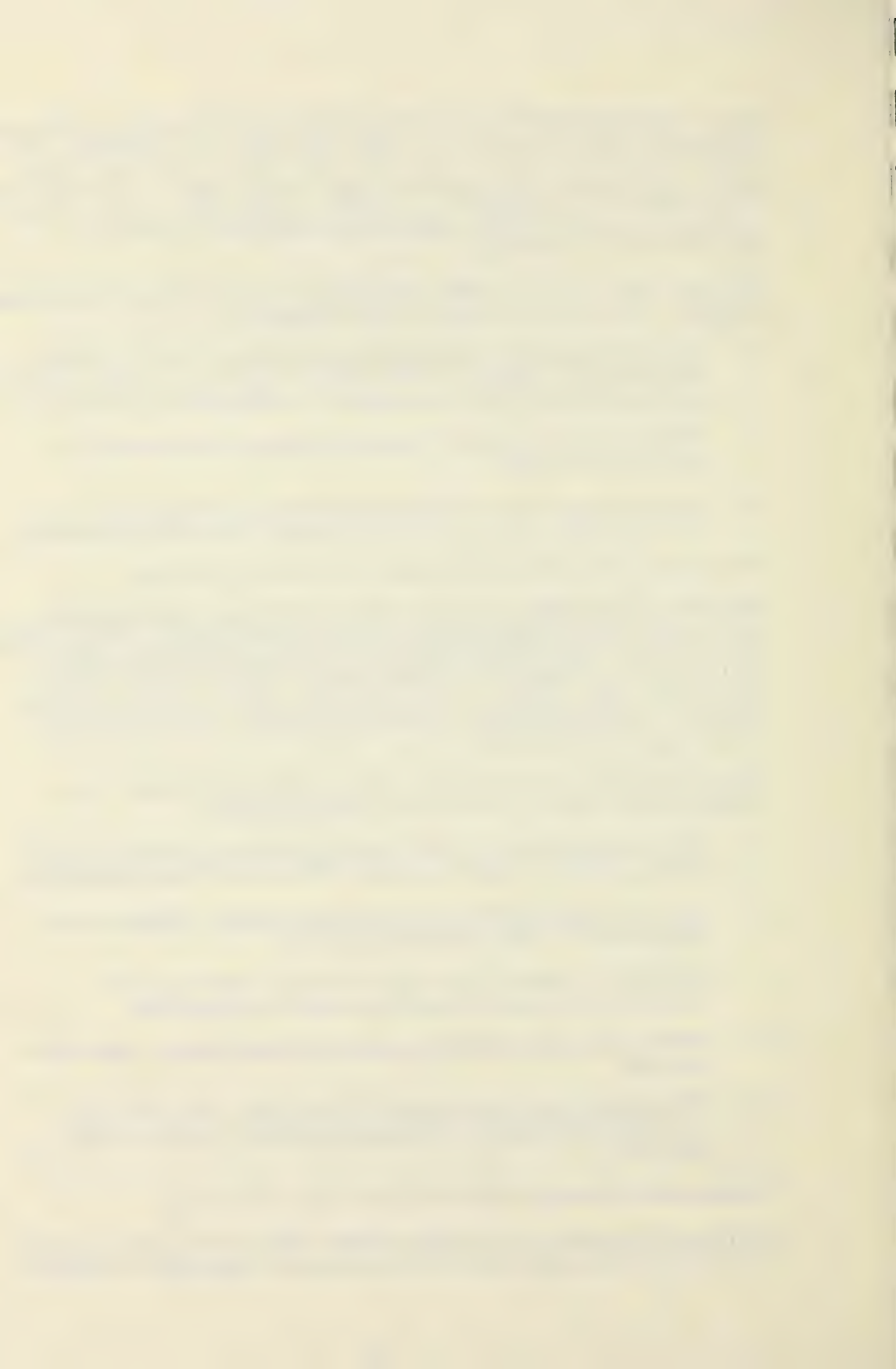
Within the Cree and Slave cultures there is still a strong male dominance and a strong female support of this attitude of male dominance. Within these Native cultures, women are meant to stay home, keep the family together, and take care of the needs of the male provider. While the influx of liquor, white people, social assistance, and government workers may have changed the reality of who provides for the family, the attitude towards the role of women may not have changed.

The instructor will provide the group with the following questions: (The instructor should allow 15 minutes for a group discussion.)

- a) Can the Native women in your region identify the attitudes towards working women in their households? What would those attitudes be?
- b) Can the women identify the community's attitudes towards women? What would the community's attitudes be?
- c) Will Native women in your area who want to start their own businesses find support from their husbands and families?
- d) Will the community, which is usually her target market, support her business?
- e) If the community does not support this business, what will be the consequences for her, her investment, and other investors in her business?

The instructor presents the following information: (2 minutes)

Age plays a large role in many Native cultures. The hierarchical structure is such that young people have little influence on the operations of the bank



or community. The youth are to learn from the elders. Their goal is to learn well in order to assume the leadership at the elders' request. While there have been some changes due to television and its focus on youth, these original attitudes toward youth persist in the Native cultures.

This attitude toward age can affect a young woman's effectiveness on the job. In one case, a parks supervisor was responsible for many Native men working on park construction. At 27 years of age, she was younger than the men that worked for her. This created some problems for both the workers and the supervisor. If one of the men wanted a day off, he would send his son to request it from the supervisor. To go himself, would have meant losing face. The supervisor had to adapt her management style to meet the needs of her workers. By placing an older, intermediate supervisor between herself and the men, she was able to get the work accomplished. Had she not been this flexible, the men working for her would have quit.

The instructor puts the following question on a flipchart: (Participants are asked to answer the question on their own. Five minutes is given and no discussion will follow.)

Age can pose a problem for women who want to start their own businesses. Do you think the age factor will play a role in your community? Why or why not?

Instructor presents the following information: (1 minute)

Within the Cree society, it is not acceptable to show off your wealth, nor to have more wealth than your neighbour. Wealth is to be shared by everyone in the family, including aunts, uncles, cousins and grandparents from both sides. It is understood that poorer members of the family will come to live with you until all members share the same level of material wealth.

The following questions are to be discussed by the group as a whole:

- a) In the cultural traditions of the Native people in your area, what is the definition of success?
- b) When starting a business, it is recommended that a reserve cash account be set aside for slow cash flow periods. Why is this important? How will a reserve cash account be accepted by the Native people in your area?

Instructor presents the following information: (1 minute)

The chiefdom system which governs many Native bands was actually imposed on the Native cultures by the white society. Inherent to the cultures of most northern Native people is the tradition of decision by consensus. The white people's government found this system to be slow and cumbersome, and dealt with the chiefdom to make communication easier and more efficient.

However, even today, for example, decisions at the Bigstone Band Council must be agreed to by all and are debated until everyone is satisfied.

Depending on the circumstances, this form of government could impact on a woman opening and operating her own business.

Instructor asks participants to complete the following on their own: (Ten minutes is allotted for this exercise.)

List five ways that this attitude towards government could affect a woman who wanted to start and operate a business.

Instructor presents the following: (2 minutes)

Our attitudes and expectations of Native life have been shaped largely by American television. The "Indian camps" that are portrayed leave us with the impression that Native people enjoy living close together. In reality, when the Native people from northern Alberta were forced to give up their nomadic life, it was important for them to maintain their sense of space. In fact, living spaces are normally set far apart, with not more than one house for every four or five acres of land. This type of living arrangement is true in Wabasca/Demara, Little Buffalo, Driftpile, Sucker Creek, and Swan River Reserve as well as others throughout Alberta.

In the city, successful retail and service businesses are often located in clusters. "One-stop shopping" is used as an effective marketing tool. The mall concept, however, will not come naturally to Native people. For this reason, individuals who want to set up a business must give special consideration to location. It must be determined whether or not people in the area would be willing to travel three or four miles for a service or whether or not they would prefer to have businesses grouped together in one location.

Instructor presents the following information: (1 minute)

For traditional Native women, family life is the most important responsibility in their lives. Unlike white society, responsibility to others in the group has long been valued over individual responsibility - the group is more important than self. In one pre-employment program, it was found that the Native women were often absent. That became very frustrating for the instructors who were members of the white society. When the guidelines about time missed were tightened up, there was a distinct rise in the program's drop-out rate. When questioned her absence, one woman explained that her grandmother needed help with the herb garden before the winter came. This, she felt, was a more important duty than attending class.

Instructor has participants form small groups to discuss the following questions: (Ten minutes is allocated for small group discussion. At that time the whole group will get together to share information.)

Considering the information that has just been presented, what effect do you feel that family will have on a Native woman's business operations?

The following points should be raised by the instructor before completing this module:

- a) One of the more common beliefs of Native cultures is that time revolves. Opportunities can be missed because it is believed that they will always come back again. "Indian time" makes sense to those who live and work in Native or mixed communities. In terms of business operations, however, the larger society does not tend to be so relaxed about time. This different attitude towards the importance of time could impact on a Native woman's business operations.
- b) Like most people, Native people do not spend a lot of time in deep thought trying to define their culture and determining how it impacts on their lives. Metis people, because they are part of two or three cultures, have even more difficulty defining the values and traditions which help guide their actions. Because of this many Native people will not be aware of many of the issues that have been raised in this module.
- c) The issues that are being dealt with in this module are sensitive ones. While some of the issues are found at the periphery of the culture, others form the core of the traditional person's beliefs. Identification and clarification of values can be difficult to accomplish outside of a counselling relationship. Dealing with a culture that is not your own can make the issues even more sensitive. Many of these issues are ones that the white culture would rather avoid dealing with. Prospective leaders of this course must acknowledge the kinds of issues they are dealing with and must be prepared to handle them with finesse.

The instructor provides the following questions to the participants: (Answers are to be completed on their own.)

- a) Will the inclusion of the issues we have discussed in this section be supported by others involved with or leading this workshop?
- b) Do you feel that the women you will be dealing with will have difficulty with these issues? Are there any issues that you know would be so sensitive that you would not want to include them in your workshop?
- c) Would you suggest further business training to allow your client more time to sort through these issues and develop a more in-depth understanding of cultural/business issues?

10. **GROUP LEADERS' PLAN**
for "Rural Women As Business Entrepreneurs" Workshop

(3 hours)

DAY 1

MINUTES

A. INTRODUCTION

I. Workshop Introduction 15

II. Participant Introduction 30

B. DECIDING

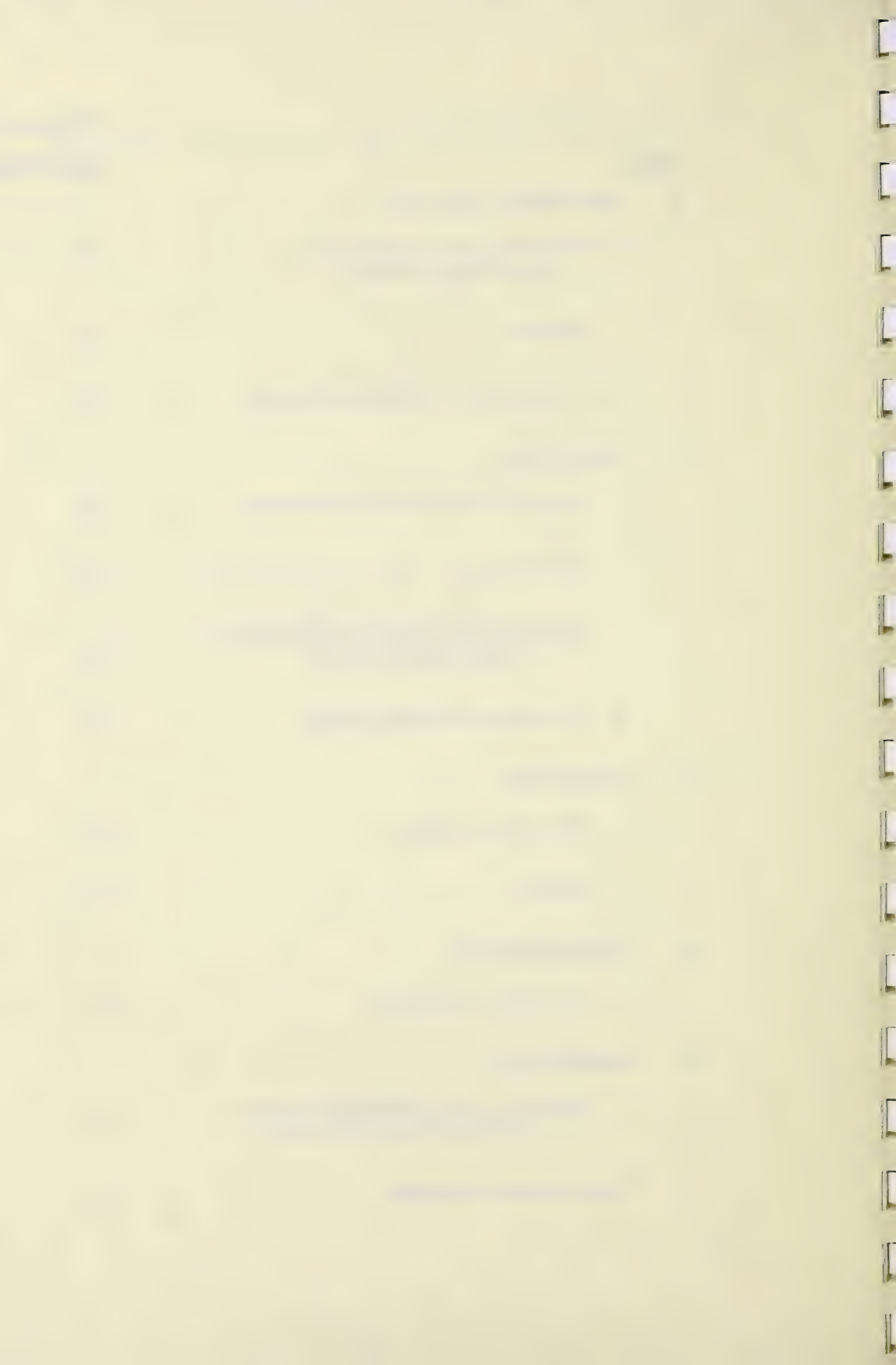
I. Defining the Entrepreneur 60

Break 15

Guest Speaker - "What's It Really Like To
Be An Entrepreneur?" 45

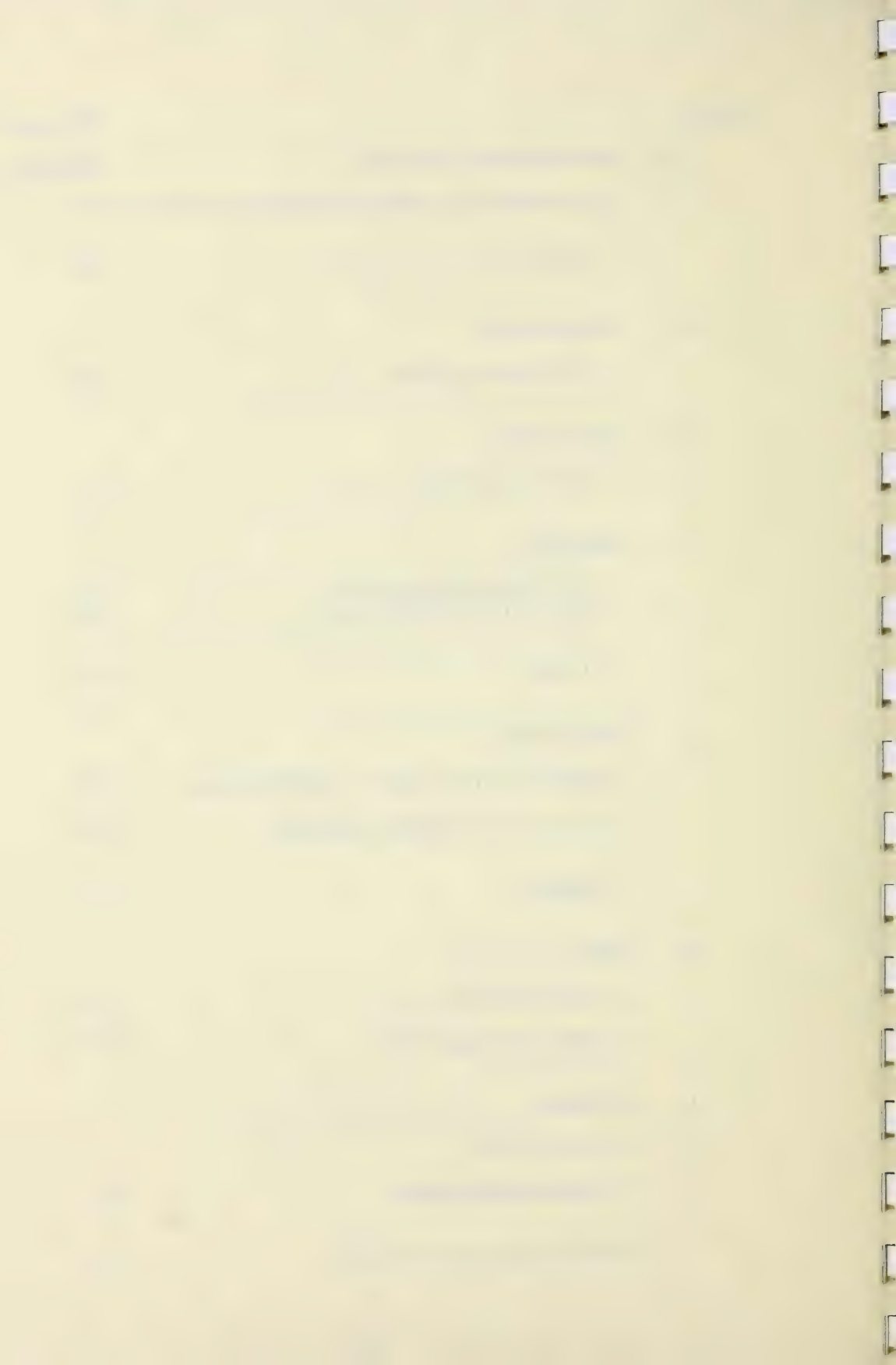
Wrap-up and Evaluation 15

DAY 2		(7 hours)
		<u>MINUTES</u>
B. DECIDING (continued)		
II. Starting Your Own Business - Some Considerations		90
BREAK		15
III. Assessing Your Business Potential		15
C. STARTING		
I. Ways To Start Your Own Business		60
LUNCH		60
Video "In The Company of Women" or "Enterprising Women"		30
II. Developing A Business Idea		30
D. PLANNING		
I. The Business Plan		15
BREAK		15
E. RESEARCHING		
I. Determine the Market		60
F. MARKETING		
I. Determine Your Marketing Strategy 1. Business Image & Exercise		15
Wrap-up and Evaluation		15



DAY 3**(7 hours)**

		Minutes
F. MARKETING (continued)		
I. Determine Your Marketing Strategy (continued)	60	
BREAK	15	
G. OPERATING		
I. The Operating Plan	60	
H. FINANCIAL		
I. The Financial Plan	30	
I. WRITING		
I. The Written Business Plan	15	
Video "A Head For Business"	30	
LUNCH	60	
J. FINANCING		
I. Obtaining Financing for a Small Business	30	
II. Preparing for the Loan Interview	60	
BREAK		
K. LAW		
I. Legal Concerns	15	
II. Obtaining Legal Advice	15	
L. ACTION		
I. Plan of Action		
II. Important Addresses	15	
Final Wrap-up and Evaluation	15	



A. INTRODUCTION

I. Workshop Introduction

1. Before The Workshop Begins

<div>Purpose<ul style="list-style-type: none">- to introduce workshop leaders-to introduce purpose of workshop-to outline workshop schedule-to establish a comfortable atmosphere</div>	<div>Time<p>15 minutes</p></div>	<div>Materials<ul style="list-style-type: none">- outline of workshop, written on flip chart paper- name tags and felt markers- voluntary questionnaire form (Handout section)- folders with handouts, paper, pens</div>
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Ensure participants are greeted as they arrive.
Provide name tags to wear.
Begin a class list with names, telephone numbers and addresses.
If desired, ask participants to complete the voluntary questionnaire.
Distribute folders and other supplies.

VOLUNTARY QUESTIONNAIRE

(Please Note: Completion of this questionnaire is voluntary - we would appreciate the information so that we can adapt the workshop to your needs.)

Age: 20 - 30 _____ 30 - 40 _____ over 40 _____

Marital status: Single: _____ Married: _____ Widow: _____

Children still at home: _____ **Ages:** _____

Reason for taking this workshop?

How did you learn of this workshop?

At what stage are you?

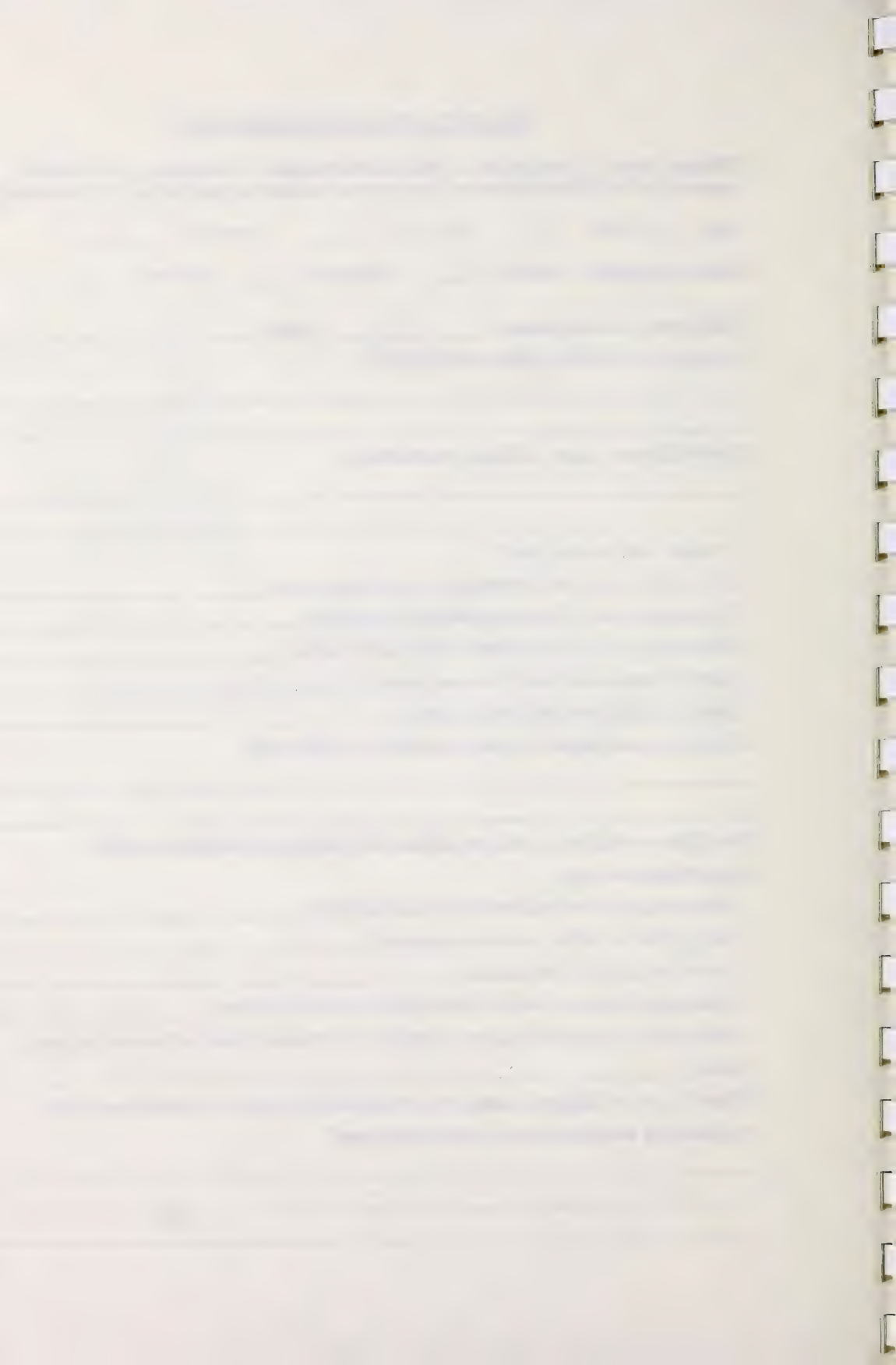
- Just thinking about becoming an entrepreneur _____
- Planning to be in business within one year _____
- Planning to be in business within six months _____
- Been in business less than one year _____
- Been in business one year or more _____

What do you hope to get from this workshop?

For this workshop, which of the following activities is most important to you?

- Obtaining printed material to take with you _____
- Being able to order resource material _____
- Participating in discussions _____
- Attending lectures, with limited group participation _____
- Obtaining names of resource people who can be contacted on an ongoing basis _____

What is your biggest concern or issue that you are dealing with regarding starting your own business?



2. Group Leaders' Introductions

Welcome participants, and give a brief introduction of each group leader, outlining your relevant background.

3. Purpose of the Workshop

Present a synopsis of the purpose of the workshop, and outline the workshop, by referring to a printed outline of the workshop which might be posted on the wall for the duration of the workshop. Outline housekeeping details.

II. Participant Introduction

Purpose

- to introduce participants
- to establish comfortable atmosphere

Time

- 30 minutes

Materials

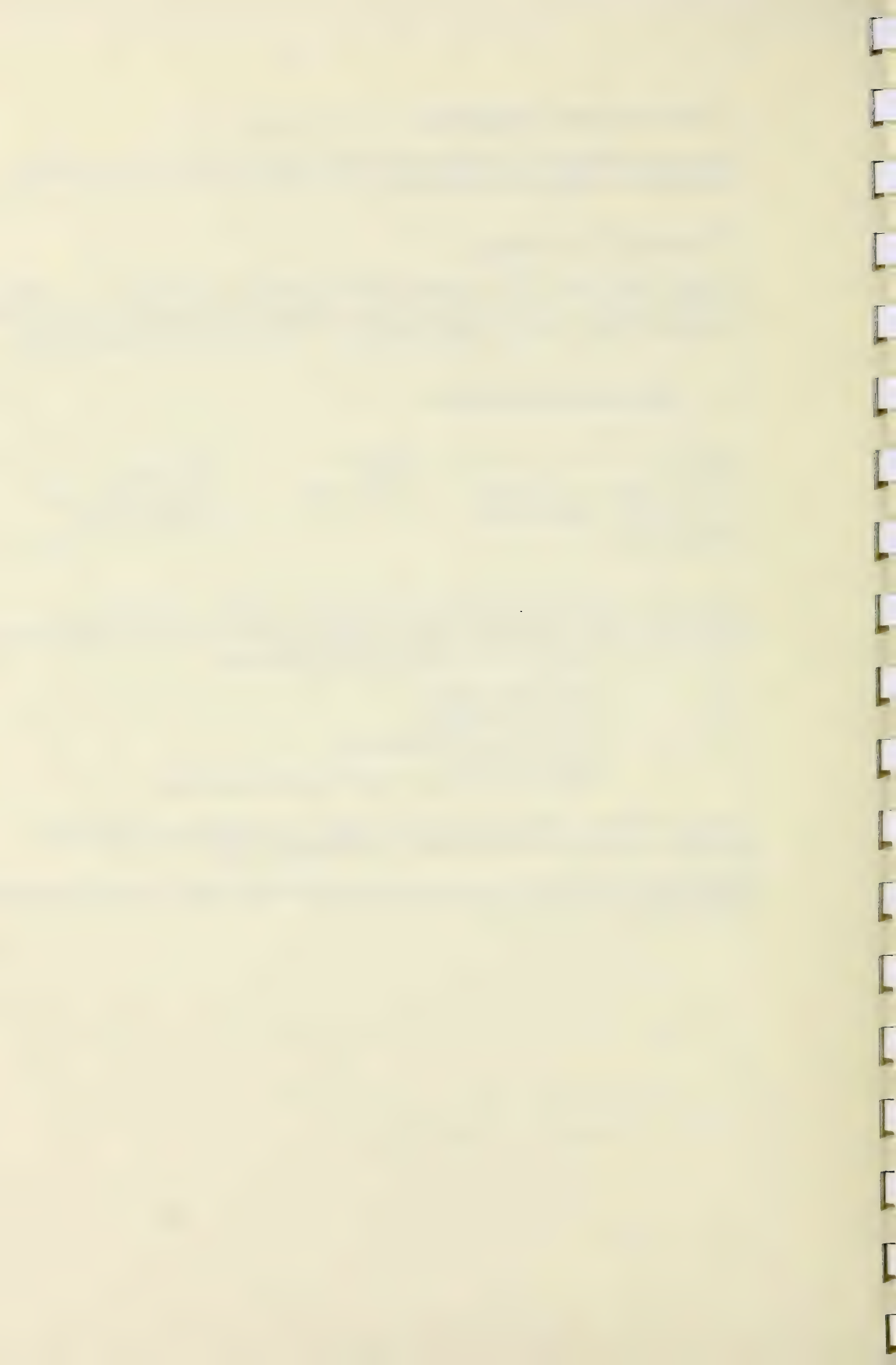
- flip chart paper
- felt markers

Divide participants into pairs. Ask each pair to find out the following information about the other, and to prepare to introduce her partner to the group. Ask the participants to find out the following:

- what is her name?
- where is she from?
- what is she good at doing?
- why is she here?
- what does she hope to get from the workshop?

Group leader may wish to make a flip chart of the answers to the final question, and respond at the end of the introductions.

Gather the voluntary questionnaires that participants have completed at the beginning of the workshop.



B.

DECIDING

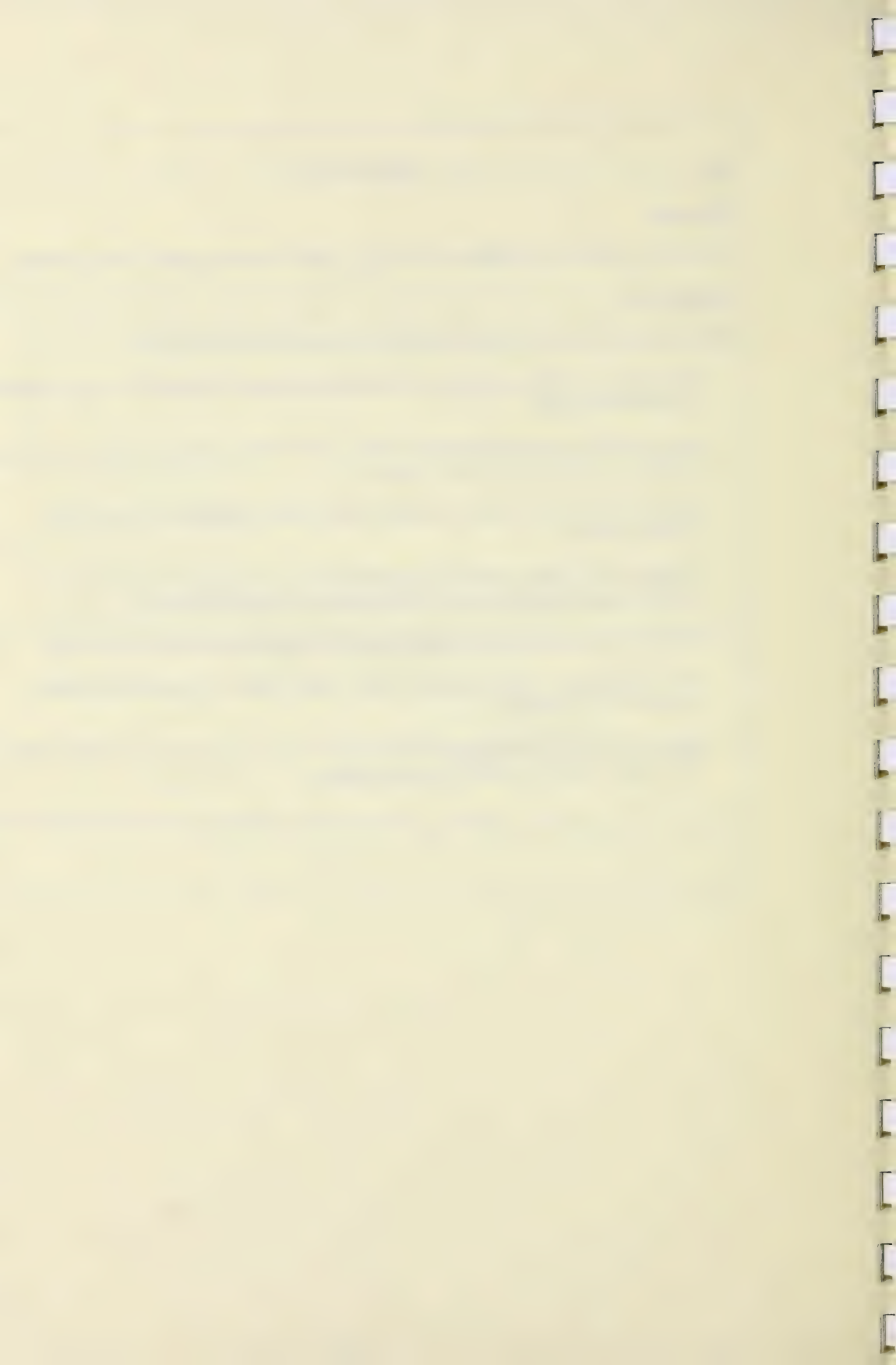
Purpose

To assist women in making a decision about starting their own business.

Objectives:

After completing this module each participant will be able to:

- Describe a number of personal characteristics of women who start their own businesses.
- Describe the personal characteristics that she possesses which would be useful in starting her own business.
- Describe the factors that are influencing her decision to become an entrepreneur.
- Outline the issues pertaining specifically to starting a business in a rural area, including the advantages and disadvantages.
- Describe what impact entrepreneurship might have in her own life.
- Identify gender related issues which can impact on women starting their own businesses.
- Identify the level of financial investment in an entrepreneurial business that she would be comfortable risking.



I. DEFINING THE ENTREPRENEUR

1. What is an Entrepreneur?

- Entrepreneur is a French word meaning "those who own, manage and assume the risks of a small business".
- Entrepreneurs are people who see opportunities in a variety of situations and are flexible enough to create and generate new ideas.
- Entrepreneurs may own and operate one business throughout their lives, or they may start many businesses selling them at a profit when the time is right.
- For the purpose of this workshop, an Entrepreneur is anyone who takes the action of going into business for himself/herself either by starting a new enterprise or purchasing an existing business.

2. Setting Goals

A successful entrepreneur is one who sets attainable goals which allow her to achieve her own definition of success.

There are two different types of success:

- a) internal, or psychological success
- b) external, or monetary success

Internal success is achieved when a person **feels** that she has succeeded. This type of success can be viewed in terms of personal development, personal achievement, enjoyment of work or the contribution made to the family or community.

External success is material based. Usually, the level of profit gained is used as a gauge to evaluate the degree of success.

It is important for participants to determine the kind of success they hope to achieve by running a small business. A woman's needs and values will play an important role in forming her own definition of success. Goals must be set according to the kind of success the woman hopes to achieve. It is certainly possible that an individual's goals will reflect a balance between the two kinds of success. Ultimately however, a business must achieve a profit to survive in the long-term.

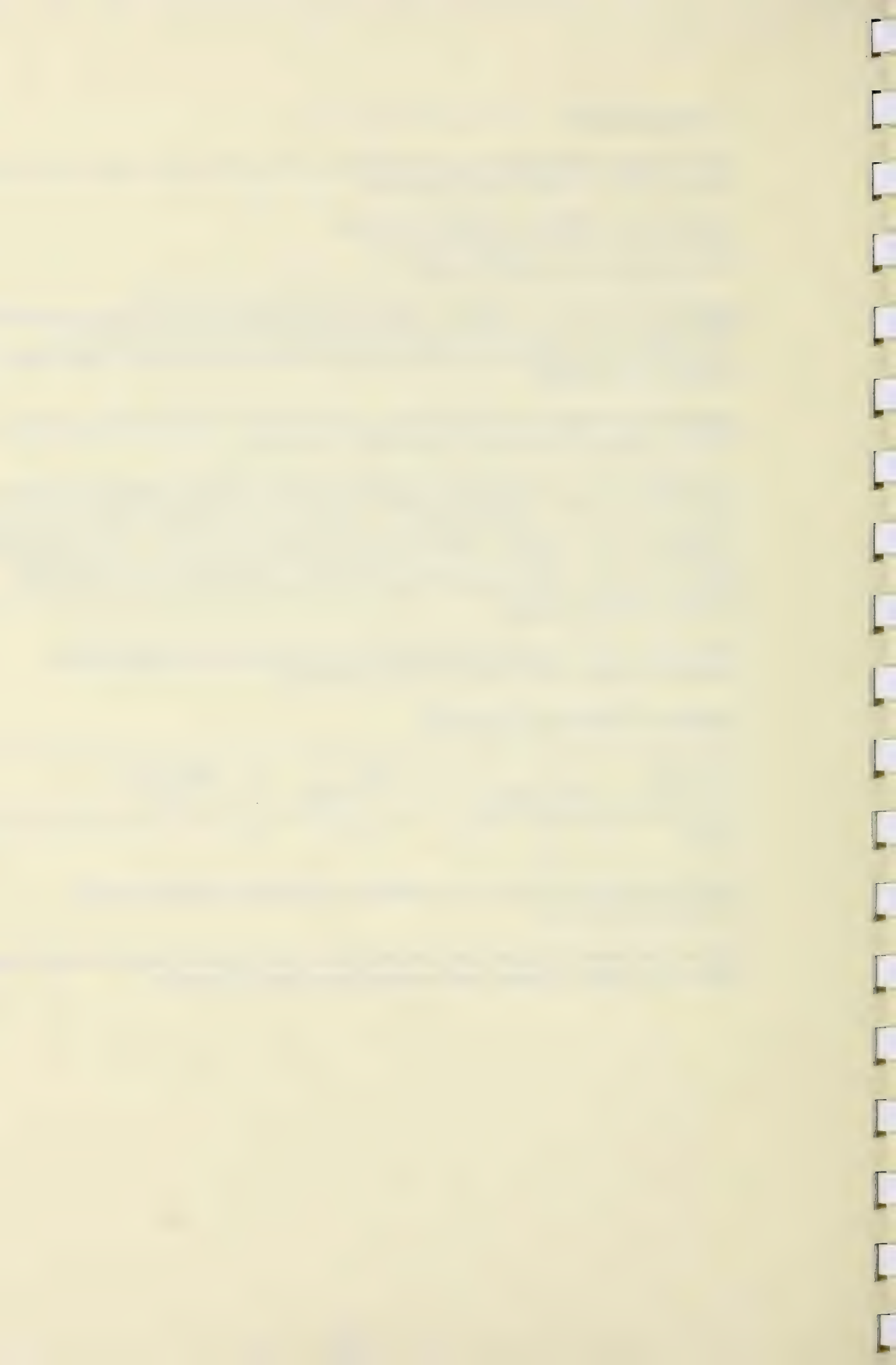
Throughout the workshop, participants must keep these definitions of success in mind and set their goals accordingly.

Exercise - What are your goals?

Purpose - to begin to clarify goals, and to practice describing them.	Time - 5 minutes	Materials - none
--	---------------------	---------------------

Divide participants into pairs, ensuring a different mix than in the introductory exercise.

Ask participants to introduce themselves to their partner, and to talk to each other about their internal and external measures of success.



3. Exercise - Characteristics of an Entrepreneur

Purpose
- to outline the characteristics of an entrepreneur

Time
- 20 minutes

Materials
- flip chart paper
- felt markers

Ask participants to think about successful entrepreneurs that they know, and to think about what characteristics and personal attributes the entrepreneurs have that makes the entrepreneur successful.

In small groups of 2-3 brainstorm the characteristics and attributes of a successful entrepreneur. (5 min.)

Have each group display their chart and present the information to the large group. (15 min.)

4. Exercise - Important Skills for Successful Entrepreneurs

Purpose
- to explore the diversity of skills needed demonstrated by an entrepreneur
- to relate those skills to participants' previous experiences.

Time
- 15 minutes

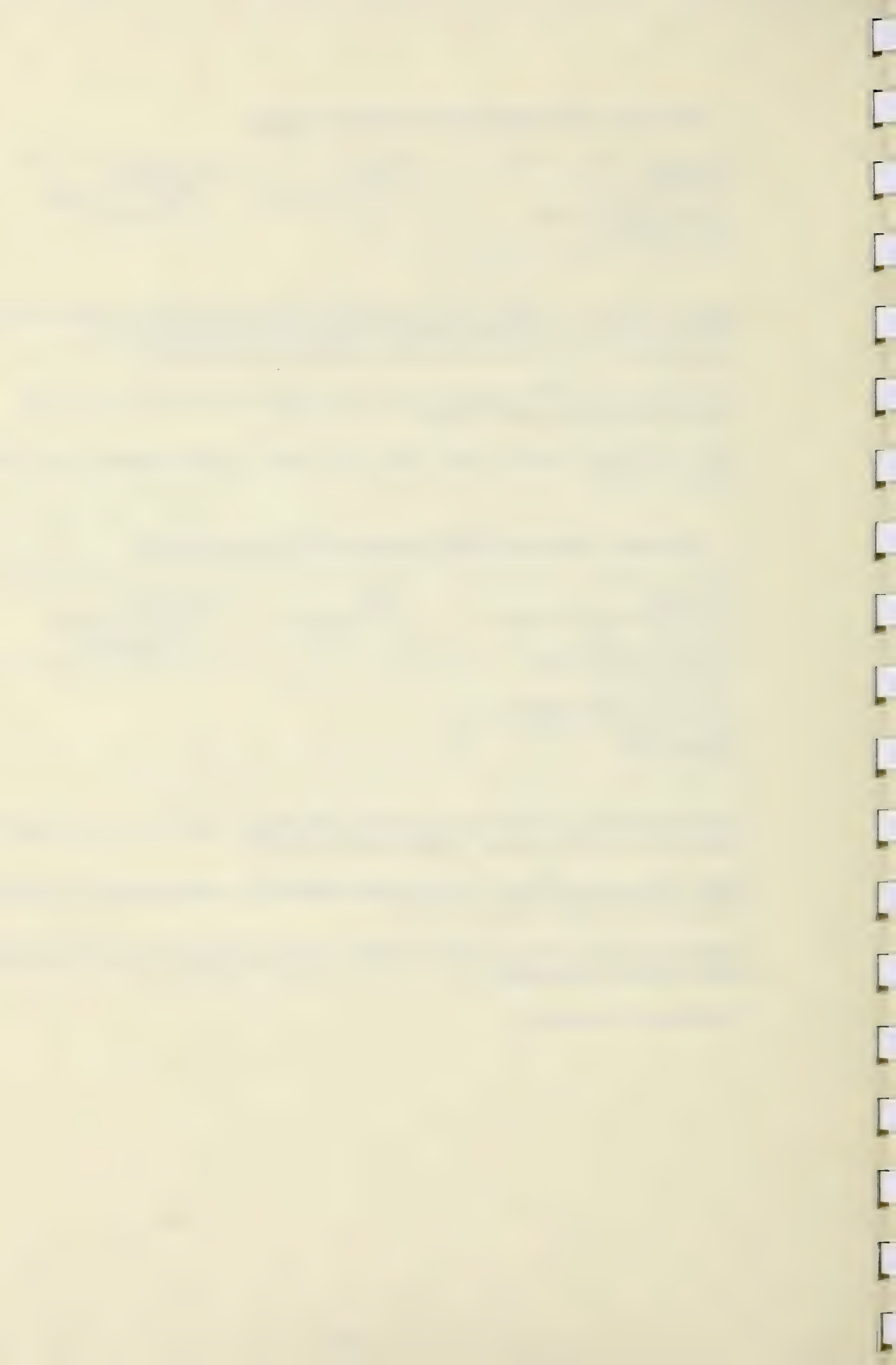
Materials
- flipchart paper
- felt markers

As a large group, with the group leader recording, brainstorm a list of all the tasks that an entrepreneur might have to take on.

Relate these tasks to the four important skills of an entrepreneur as outlined on the second page of Handout #1.

In the large group, discuss where and how the participants have developed or could develop those skills.

Distribute Handout #1.



CHARACTERISTICS OF SUCCESSFUL ENTREPRENEURS

Researchers and experts suggest that entrepreneurs share a number of common characteristics. They have found that, on the whole, the entrepreneur:

- likes to compete
- is a self-starter
- is able to determine risk and has the courage to take risks but is not a gambler
- is independent and self-confident, yet knows when to get help
- is able to do many different things at once
- likes a challenge
- is creative, and has dreams and goals
- likes to work for herself and be in control
- is hardworking and willing to stick with a project
- is not easily discouraged
- is in good health, has lots of energy and can handle stress
- has a strong sense of self-worth
- is motivated by a strong desire to achieve and attain financial success
- is a positive thinker who does not dwell on setbacks
- focuses her attention on the chances of success rather than the chances of failure
- often has a close friend or relative who owns a business
- is often a recent immigrant to North America (within two generations)

PERSONAL QUALITIES OF SUCCESSFUL ENTREPRENEURS

In the opinion of the 50 businesswomen interviewed by the Ontario Department of Industry and Commerce, success is mainly a question of personal qualities. For 43.8% of them, the most important quality would appear to be determination. Another factor highly rated by them is the ability to consistently work hard.

Here is a breakdown of important personal qualities:

Determination	43.8%
Love of Risk	16.7%
Leadership	12.5%
Love of Success	10.4%
Personality	10.4%
Creativity	6.2%

When asked what is the key to their success, they said:

Hard Work	44.3%
Self Confidence	11.9%

Women's Career Resources
Alberta Career Development
and Employment



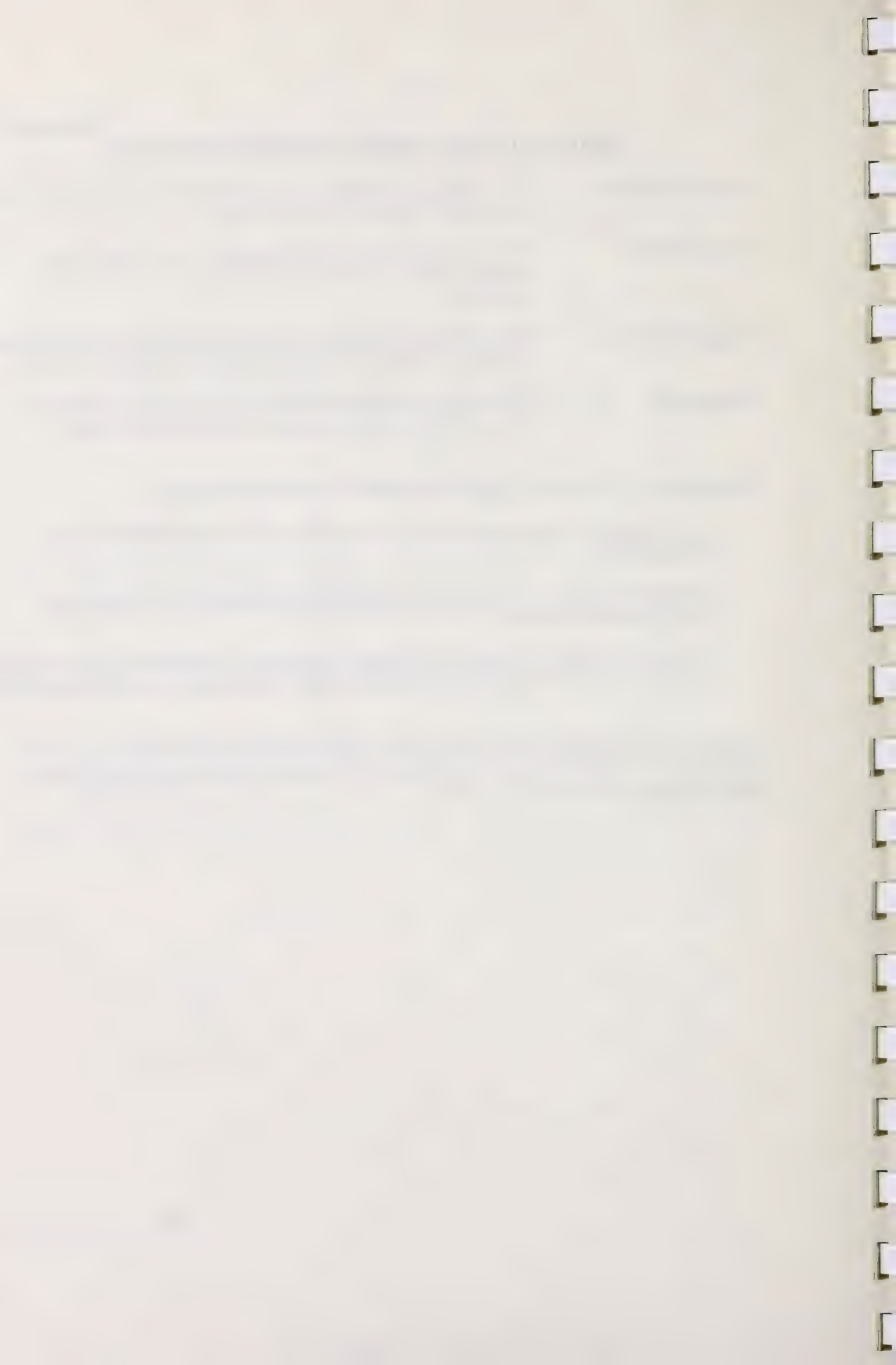
SKILLS OF SUCCESSFUL ENTREPRENEURS

- Co-ordination** - The ability to manage many different types of jobs and responsibilities at the same time.
- Evaluation** - The ability to examine important facts about the business and to determine the least risky way to proceed.
- Organization** - The ability to organize all the resources of the business in order to make it run in the most efficient manner.
- Research** - The ability to obtain all the necessary information to insure that the best possible decisions are made.

Succeeding in business is also a question of **external** factors:

- the product or service you want to offer has to be **cost-effective** and **competitive**.
- **demand** for the product or service must be strong. Do not rely on a single major customer.
- you must be able to draw on adequate resources - **financial** (liquid cash, property), **material** (location, equipment), **and human** (competent staff).

Adapted from: Department of Industry and Commerce, Women's Entrepreneurship Branch, Government of Quebec, To Be or Not To Be an Entrepreneur, Quebec City: 1987.



Exercise - Individual Assessment

Purpose

- to assess participants' skills, values and personal characteristics

Time

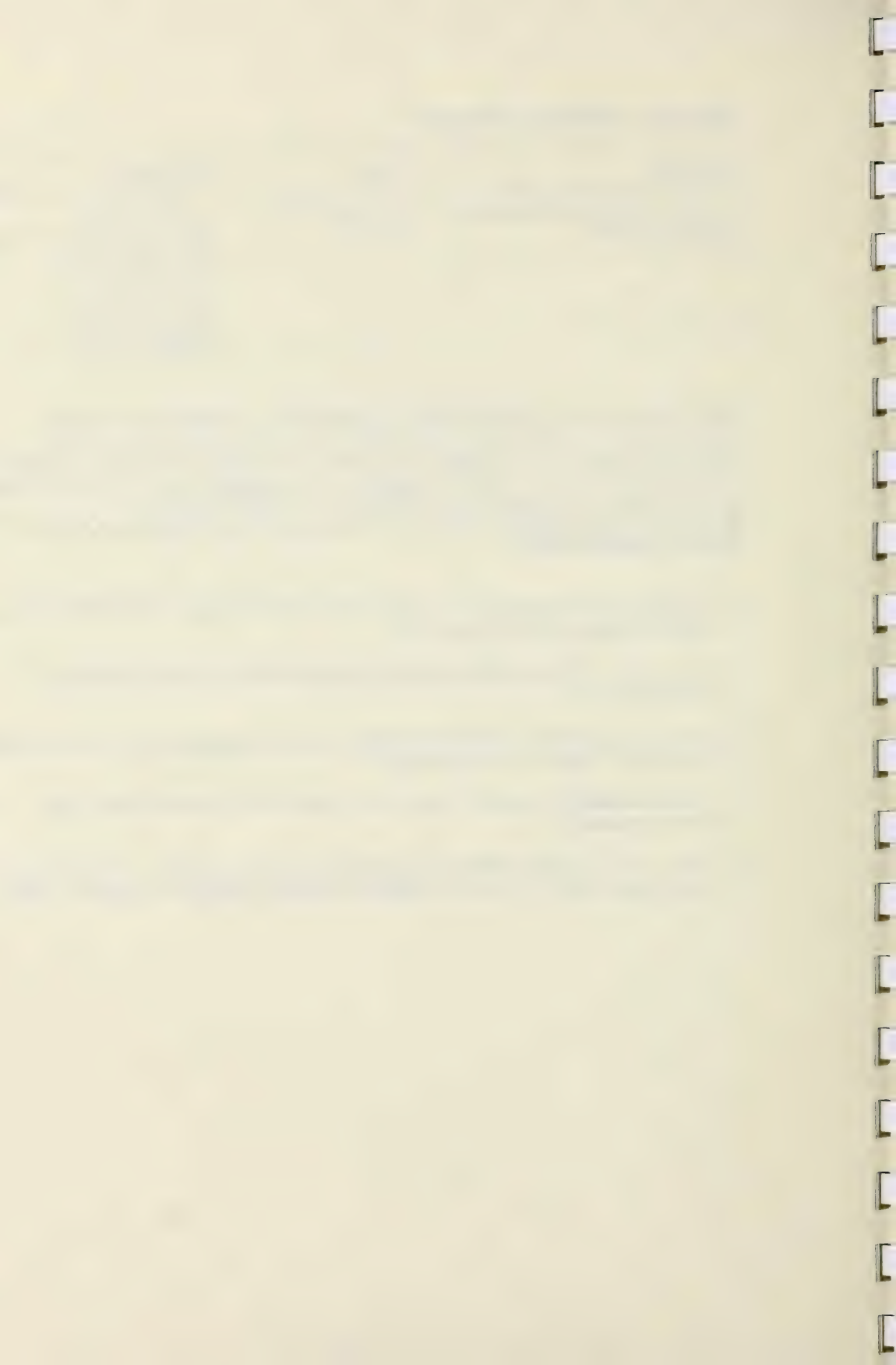
- 15 minutes or more

Materials

- copies of *Are You Cut Out To Be An Entrepreneur and Self Directed Career Planning Guide*, Alberta Career Development and Employment.

After learning the characteristics and personal attributes of successful entrepreneurs, participants will want to know how they "measure up". Depending upon the workshop's timelines, a varying number of individual assessment exercises could be assigned. At minimum, use of the following two exercises is recommended: Handout #2 **Could You Be An Entrepreneur** and the skills assessment, page 13, in **Are You Cut Out To Be An Entrepreneur**

1. To assess **entrepreneurial characteristics**, complete **Could You Be An Entrepreneur?**, Handout #2
2. To assess **values** complete page 9, in **Are You Cut Out To Be An Entrepreneur**.
3. To assess **personal characteristics** complete pages 10-12, in **Are You Cut Out To Be An Entrepreneur**.
4. To assess **skills**, complete page 13, in **Are You Cut Out To Be An Entrepreneur**.
5. For a more detailed **skills assessment**, complete pages 11-17, in Booklet Two, *Discovering Yourself*, in **Self Directed Career Planning Guide**.



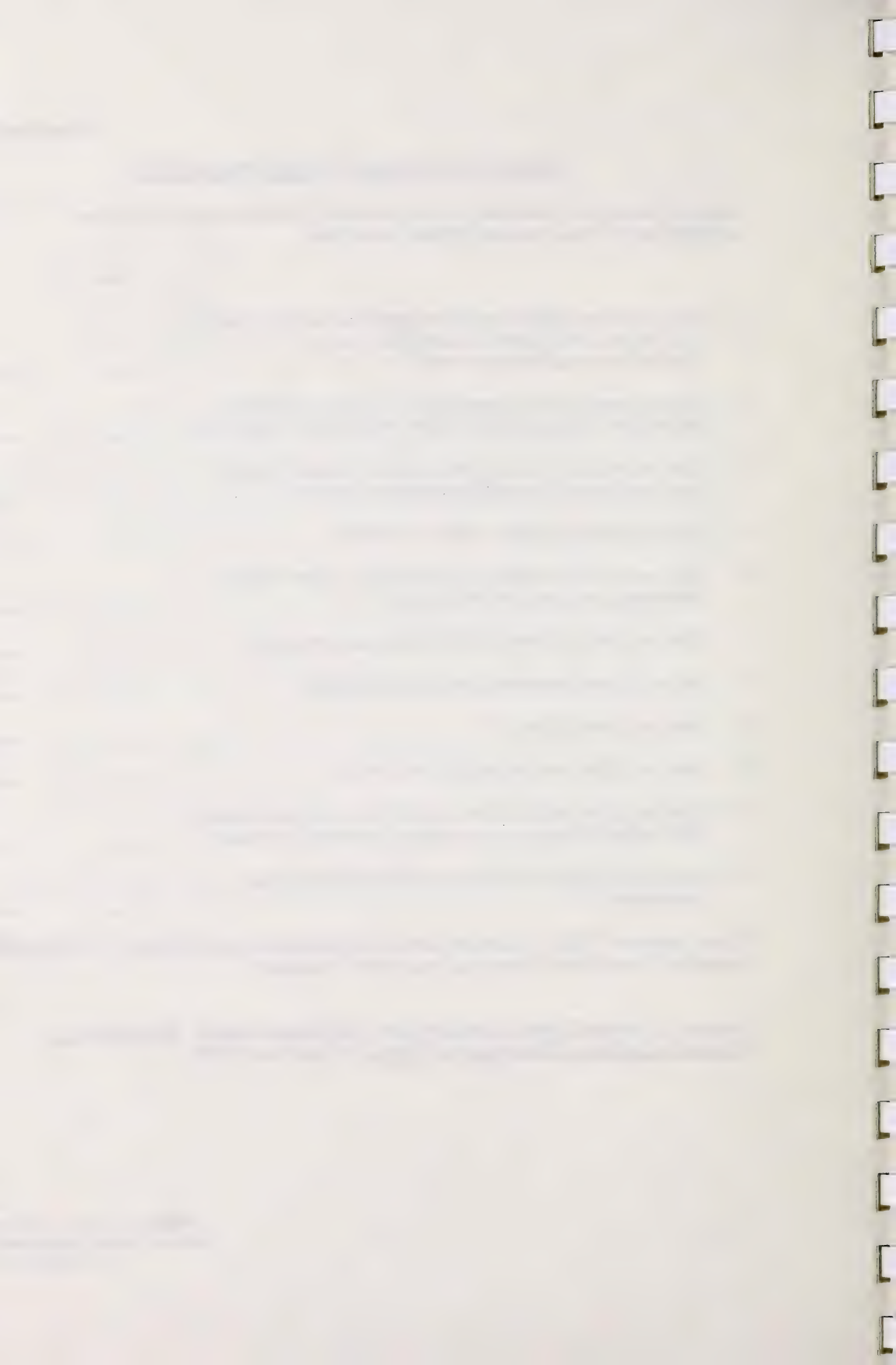
COULD YOU BE AN ENTREPRENEUR?

How do you know whether or not you have the characteristics of an entrepreneur? Ask yourself these questions:

	Yes	No
1. Do you have a high need for personal achievement? (i.e. do you feel a need to be able to say, "that's the result of my work"?)	_____	_____
2. Do you need to be in control? (i.e. do you want to make the decisions that affect your day-to-day life?)	_____	_____
3. Are you willing to take reasonable risks if you feel your own work can influence the outcome?	_____	_____
4. Do you usually finish what you start?	_____	_____
5. Can you work on several projects in a day without becoming irritated or frustrated?	_____	_____
6. Can you pick up work after being interrupted?	_____	_____
7. Do you have perseverance and discipline?	_____	_____
8. Can you work alone?	_____	_____
9. Can you plan and schedule your work?	_____	_____
10. Can you cope with uncertainty? (i.e. can you remain calm when things are not going according to plan?)	_____	_____
11. Can you present yourself as self-confident and competent?	_____	_____

If you answer "YES" to the majority of these questions, perhaps you should consider the option of starting your own business.

Source: Alberta Career Development and Employment, Directions - A Woman's Guide to Returning to Work, Edmonton, 1988.



GUEST SPEAKER

"What's It Really Like To Be An Entrepreneur?"

RURAL WOMEN AS BUSINESS ENTREPRENEURS

EVALUATION - First Day

Your comments on this form are entirely confidential and are intended only to help us make necessary modifications to this workshop. Thank you for your input.

1. What were your expectations of this workshop today?

2. Which expectations were met and in what way?

3. Please comment on the following:

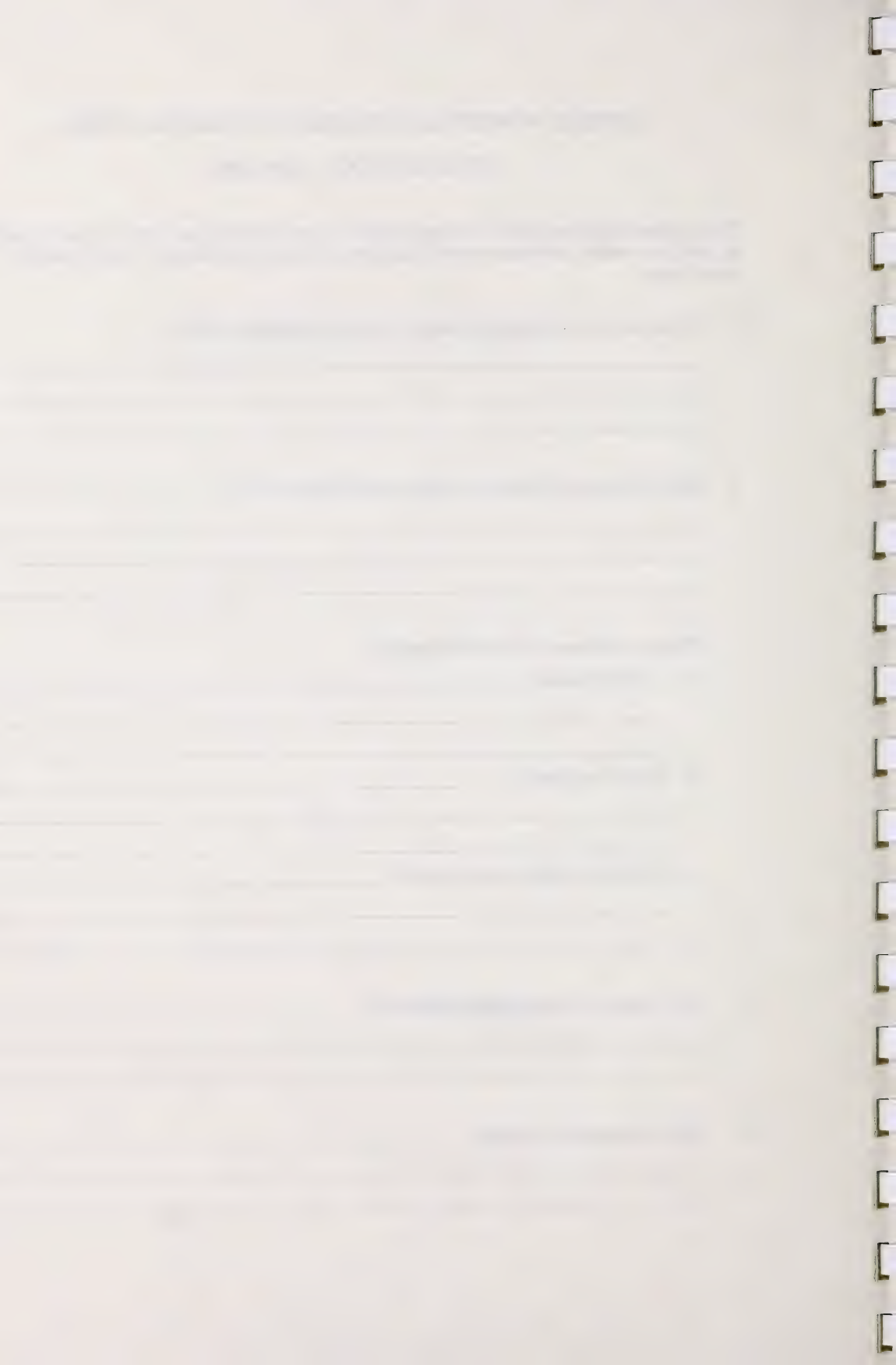
a) I really liked: _____

b) May I suggest: _____

c) I'd like to hear more about: _____

4. Comments on workshop leader(s): _____

5. Other comments please: _____



Tomorrow we will discuss the following topics - if you have a need for specific information, please let us know so we can try to include it.

Starting Your Own Business - Some Considerations: _____

Assessing Your Business Potential: _____

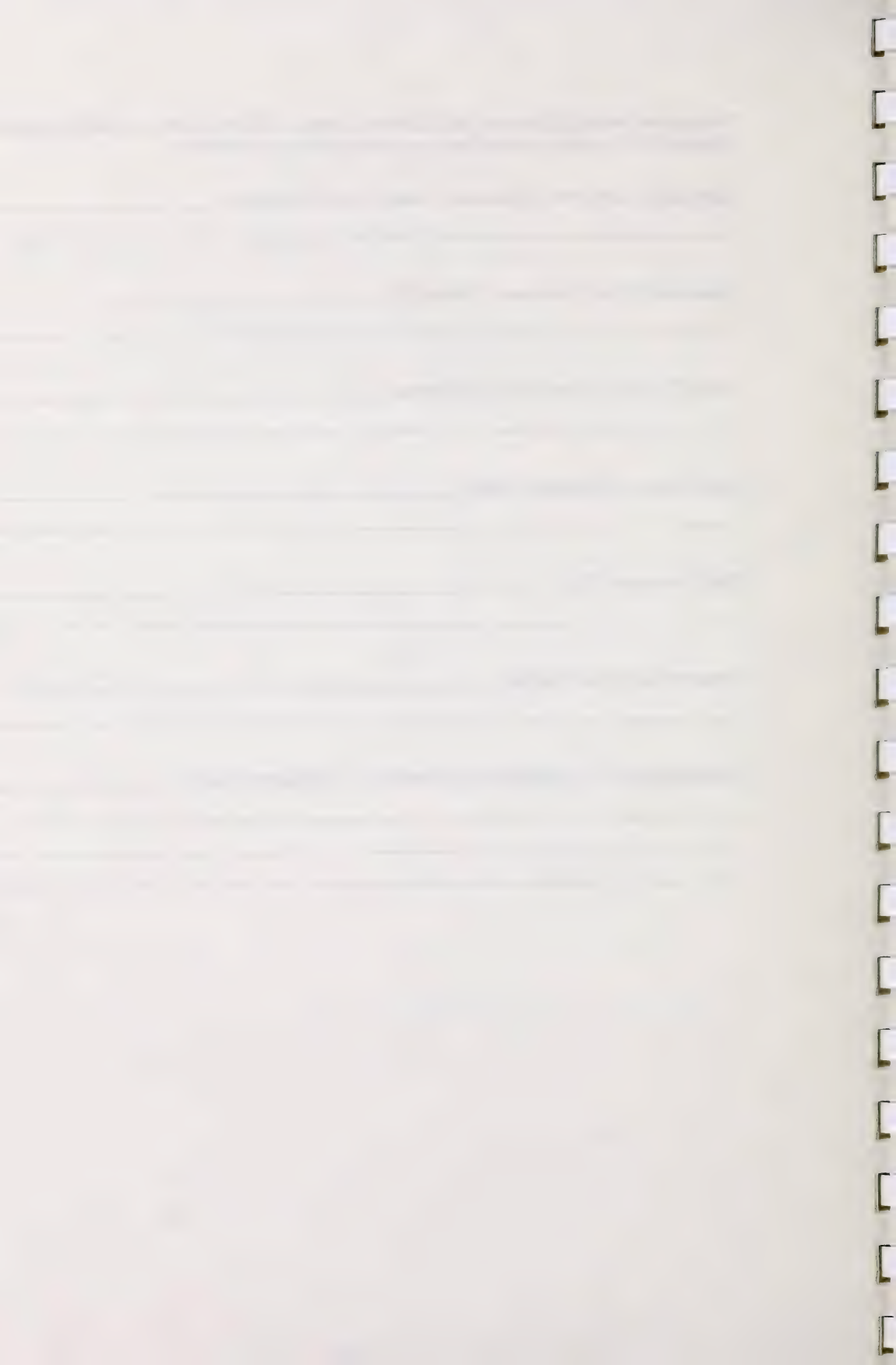
Ways To Start Your Own Business: _____

Developing a Business Idea: _____

The Business Plan: _____

Determining the Market: _____

Determining Your Marketing Strategy - Business Image: _____



DAY 2

II. STARTING YOUR OWN BUSINESS - SOME CONSIDERATIONS

1. Making the Decision

Commitments, family, being comfortable with a workplace, and responsibilities can sometimes keep us from making changes. There is a tendency to stop short if there is any chance of jeopardizing our present responsibilities. People often develop a certain amount of inertia, which makes it easier and more comfortable to stay on the same path.

It can take a powerful force, or the culmination of many small forces, to convince an individual to change the direction of her/his life. And it has been shown that people are more likely to make changes in response to negative, or "push factors" rather than for positive, or "pull factors".

Examples of "Push Factors"

- Being fired from a job
- Being demoted rather than promoted
- Transferring to another city
- Being insufficiently challenged at your job
- Underutilization of your skills at your job
- Working for an incompetent boss
- "Empty Nest Syndrome" - women who feel restless or unwanted once their children have left home
- Financial necessity - especially in cases of divorce where a woman's previous role has changed dramatically

Taken together, all of these negative events seem to cause more people to seek a new direction in life than any combination of positive events.

Examples of "Pull Factors"

- looking for a challenge
- getting excited about a concept
- seeing a "niche" in the market

Exercise - Push and Pull Factors

Purpose

- to explore participants' motivation

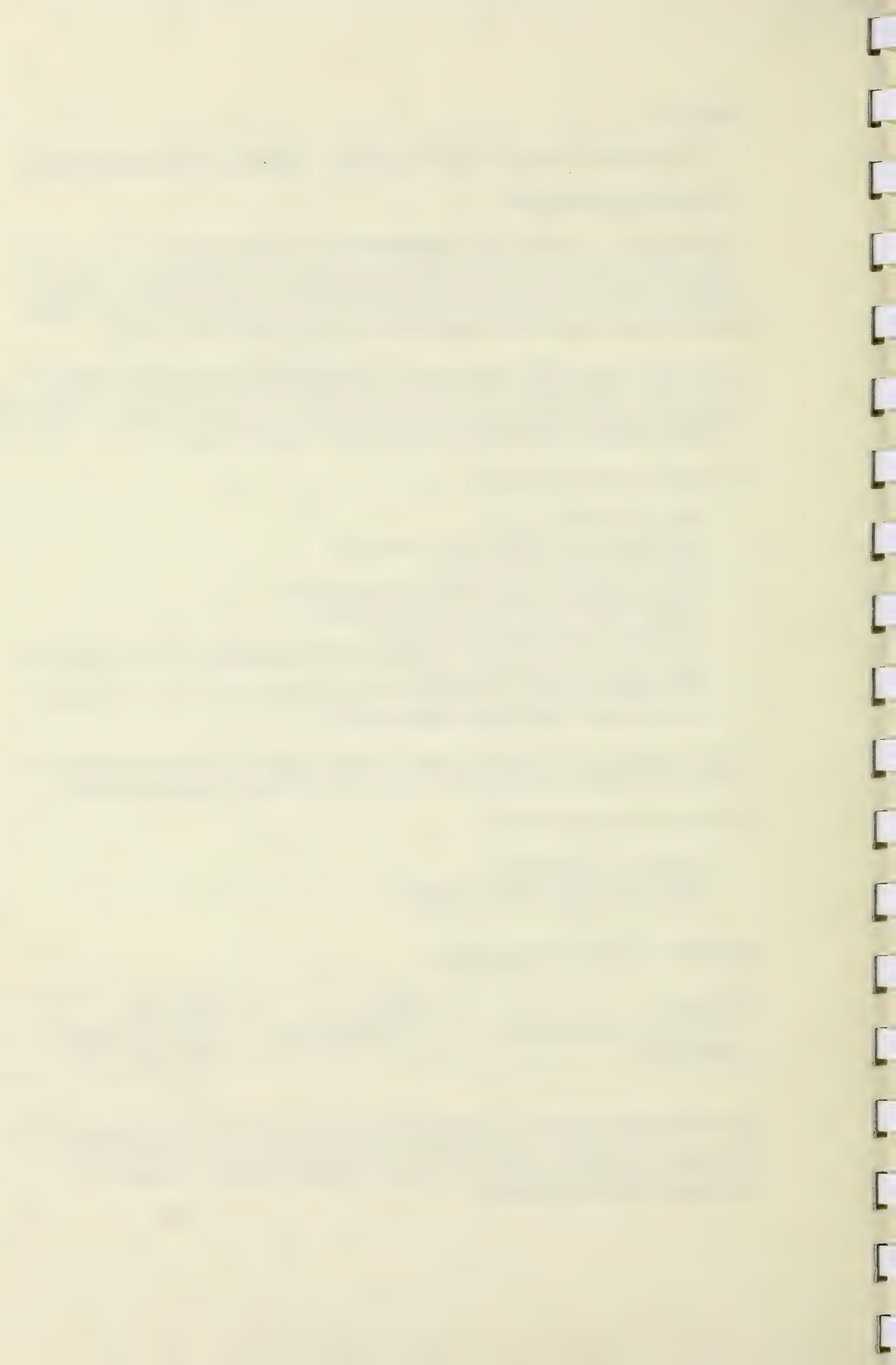
Time

- 10 minutes

Materials

- flip chart paper
- felt markers

Provide more examples of push and pull factors for making a change in the direction of one's life. Then with the large group and the group leader as recorder, brainstorm a list of the push and pull factors that may be influencing their decisions.



2. Personal Lifestyle

It is important to be realistic about the impact that owning your own business will have on your personal lifestyle. And, because people invest money and time in the business, the consequences of unrealistic expectations can be significant. The following points provide information about some lifestyle changes you can expect.

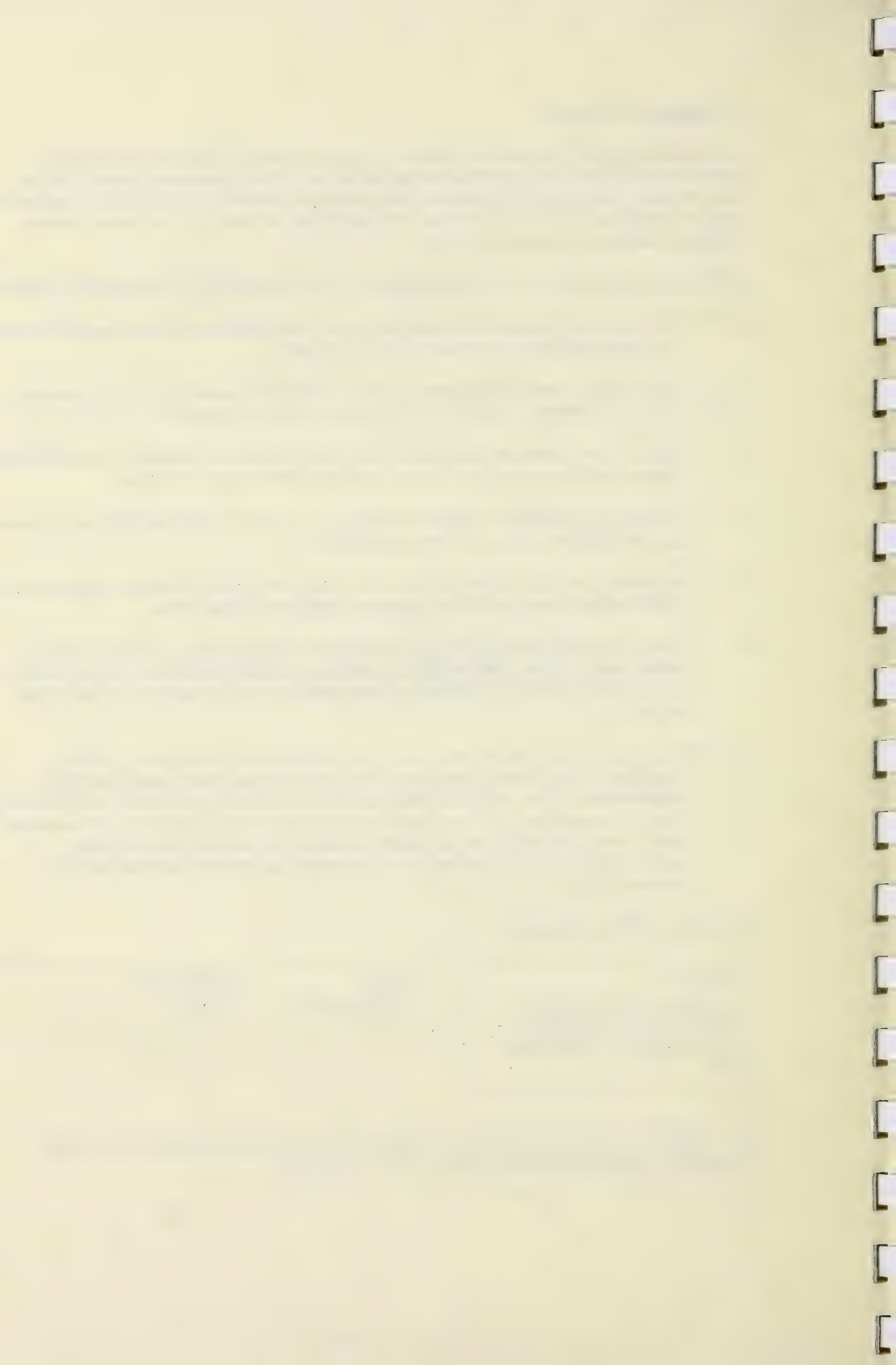
Self-employment can be one of the most time-consuming occupations there is.

- a) The first six months of running your own business have been likened to having a baby - you are always on call.
- b) Typically, a small business owner works 60 hours a week; however, this can increase to 80 or 100 hours in busy seasons.
- c) In the first years of business, there are often no holidays or paid sick leave, and you may not draw a salary for several months.
- d) When you do start to draw a salary, you may find yourself at a lower pay scale than many of your employees.
- e) Women are often more affected by the low salary because they tend to start a business with less personal savings than men.
- f) Owning a business can be stressful and frustrating. There will be price cuts by the competition, pressures from the bank for payment, employees quitting without giving notice and struggles to meet the payroll.
- g) Being your own boss means that you must know all aspects of the business. You must be able to learn to set up your own financial statements. You will be doing most of the work yourself, and all of the decision-making. It is only after you have settled into your business, and have started to make a profit that you will be able to hire accountants to do the books and marketing specialists to do your promotions.

Exercise - What Impact?

<p>Purpose - to share the ways in which having a small business will affect one's life.</p>	<p>Time - 10 minutes</p>	<p>Materials - none</p>
--	-------------------------------------	------------------------------------

In small groups of two or three, discuss the possible impact on your life (negative and positive) of being an entrepreneur.



3. Rural Issues

Exercise - Evaluating the Rural Setting

Purpose

- to evaluate the pros and cons of establishing a business in a rural setting

Time

- 10 minutes

Materials

- flip chart paper
- felt markers

In groups of four or five, brainstorm the pros and cons of becoming an entrepreneur in the rural setting. Have the charts presented to the large group. Ensure that the three areas below are covered.

a) Access to Business Services

In urban settings, there are business information services available to those who wish to start a business. In a rural setting, these services are not as accessible. Examples of services would be accountants or bookkeepers, lawyers, colleges, vocational centres, and adult education courses.

Quality of service can become an issue in the rural areas. It is important to evaluate the services that are used to ensure that they are providing good value for your money. If the number of services in the community are limited, it may be worth while to access those in the urban areas.

The services of Business Development representatives of Alberta Economic Development and Trade, Federal Business Development Bank staff, and Alberta Opportunity Company staff are usually available. You must however, request that they come to your area. It is important that these requests be made when necessary, so that the staff are aware of the needs of the rural areas.

b) Daily Travel

Driving long distances can be a problem for women in rural areas who operate businesses. With both family and business responsibilities, some women find themselves spending most of the day in their cars. There are, however, some steps you can take to help you deal with this problem.

- map out your driving course in detail in order to minimize your driving time
- keep a tape recorder in your car so that you can record the things you have to do as you think of them

c) Market Size

The size of the target market in a rural area is often smaller, and therefore, more limited, than an urban market. For this reason, it is even more important that the rural business serve the market well, with an attitude of excellence of service, and an appreciation of the customer.

For women, a smaller market can become a business asset. Women tend to provide better service than men, perhaps because they are raised to become nurturers. Statistics indicate that clients talk to three people about positive experiences with a business, while they talk to eleven people about negative experience. Providing good service can certainly pay off in the long run.

There is also the advantage of knowing more people in a rural area. Advertising can cost less because there is more word of mouth advertising than in the city. People who know you personally are usually encouraged to patronize your business.

4. Personal Development

In general, women have less self-confidence and self-esteem than men who are in similar work and life situations. Because both qualities are invaluable in operating a successful small business, it is important for women to do a self-assessment to determine if they need some improvement in these areas. In thinking about self-confidence and self-esteem, keep the following points in mind.

a) **Prepare well:**

Women, on the whole, are more willing than men to admit that they don't know everything about running a business. Because of this, they tend to spend more time learning about the business and investigating its feasibility. The extra effort that is put into research often results in a more successful business. This knowledge alone should raise an individual's self-confidence while increasing the likelihood of running a successful business.

b) **Learn by doing, and try, try, again:**

Everyone makes mistakes. What is important to remember, however, is that these mistakes provide you with opportunities to learn. People who have become successful business owners have also made lots of mistakes - they just haven't given up because of them. This ability to "pick up and start again" is an indication of a high level of self-confidence.

c) **Develop assertiveness skills:**

Developing your assertiveness skills can often increase your level of self-confidence and self-esteem. It is important, however, not to confuse assertiveness with aggressiveness. The ability to deal with people in an assertive manner will help you function effectively within the business world.

- d) Establish a support system:**
It is important to develop a network with other women who are running their own businesses. Together, women can establish a support system where experiences and ideas can be shared. This network becomes especially important when facing obstacles that are difficult to overcome on your own. Knowing that there are others to call upon, will help you maintain a high level of self-confidence.
- e) Define success:**
Running your own business will not make you an instant millionaire. Women are less likely than men to have these elevated expectations. Because of this, they are more likely to stick with a business even though, in the first few years, they are receiving limited financial rewards. During this time, it is important to remember that the lack of monetary rewards have little to do with the future success of the business.
- f) Improve your skills:**
Self-confidence and self-esteem are skills which can be assessed and developed. There are many courses, often offered at local colleges or by women's groups, which are designed to improve an individual's skills in these areas. As well, Time Management, Decision Making and Assertiveness training courses will help you to feel more confident in running your own business.

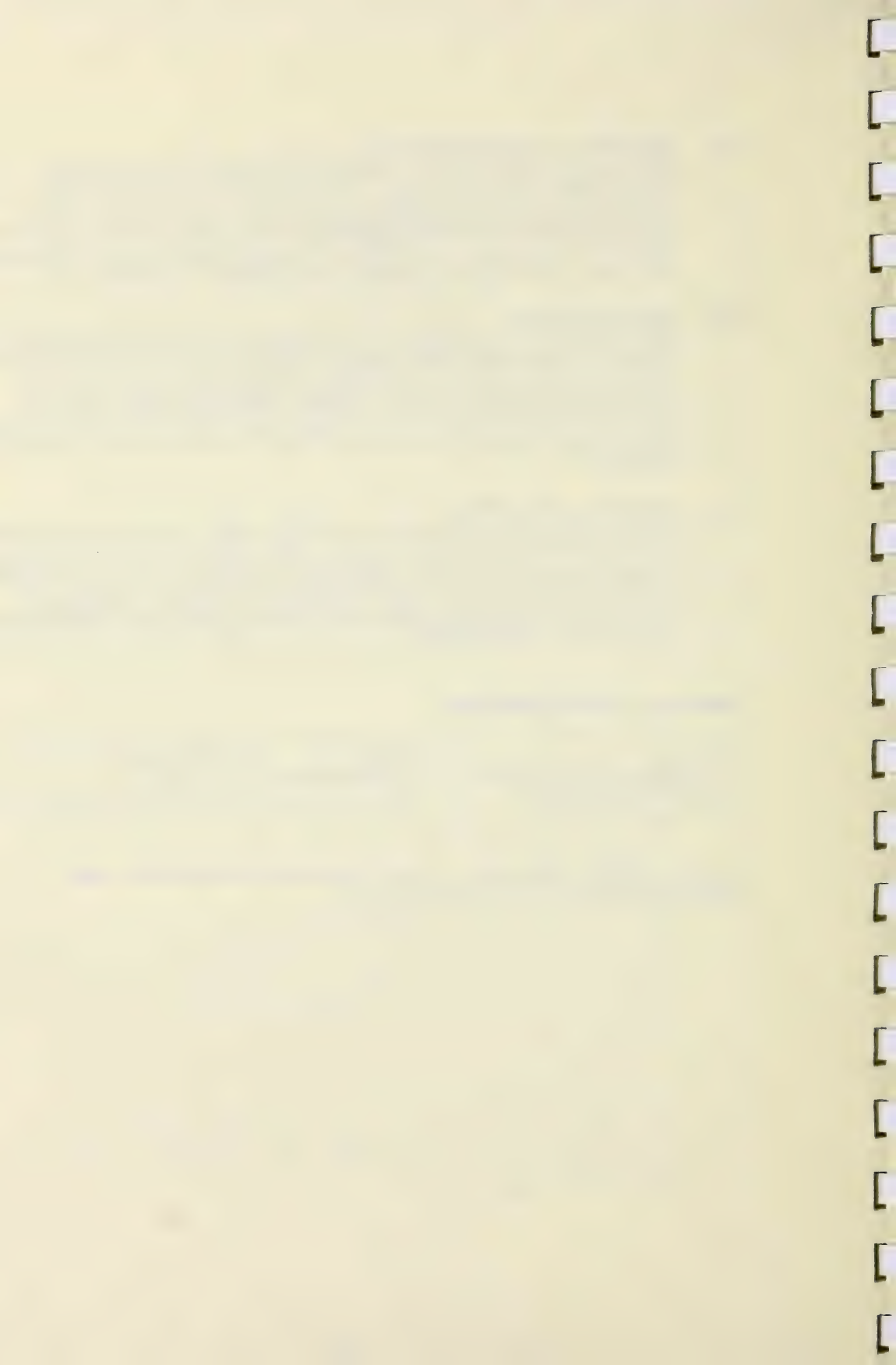
Exercise - "My Self-Confidence"

Purpose
- to create an action plan
for self-development

Time
- 10 minutes

Materials
- none

In pairs, discuss what action you will take to increase your self-confidence about being an entrepreneur?



5. Family Issues

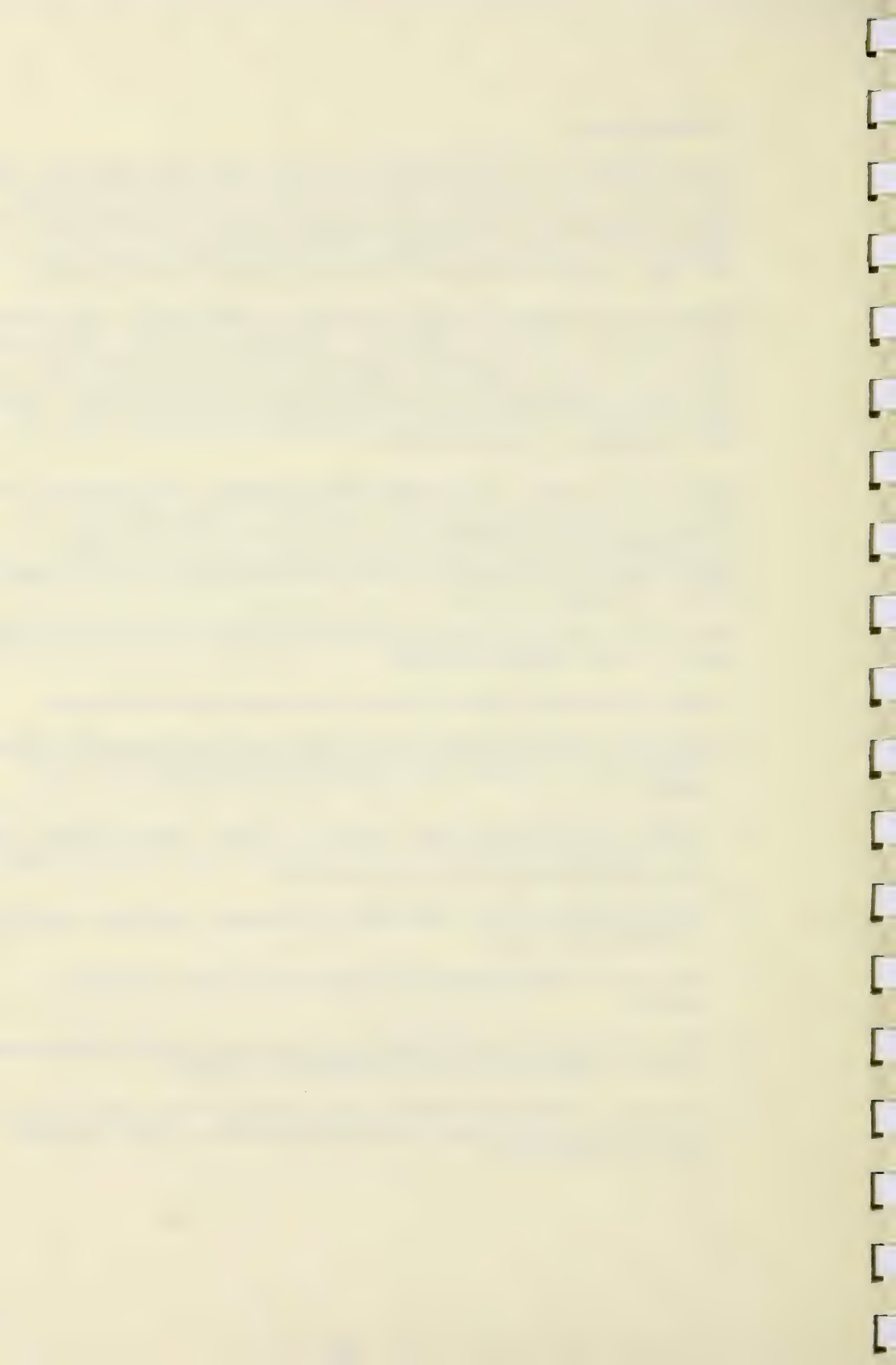
In the first year or two, most owners of full-time businesses spend 60 to 80 hours a week operating their businesses. When a woman leaves the home to devote this much time to an outside interest, there most certainly will be an impact on the family. Consideration should be given as to how the new business, both part-time or full-time, will affect the family, as well as to devising constructive ways to help the family adjust to its new situation.

Women who have been the most successful at avoiding family conflicts have involved their husbands and children in the actual enterprise. While support from the family is not a necessity for success, it will be an asset to the business. A woman who has the support of her family will often feel happier and less guilty about leaving them to pursue her business interests. When support from the family is lacking, a woman must consider how this will affect her ability to run her business.

Childcare still tends to be the responsibility of women. For the woman who wants to run a business, it is important to have suitable, affordable and comfortable childcare arrangements. There should also be back-up arrangements made in the case of unexpected or emergency situations. Being unable to make suitable childcare arrangements, can become a real barrier to starting a business:

The following are some suggestions for breaking down the barriers that are faced by women and their families.

1. Involve the family with the business planning right from the start.
2. Keep the family informed of the developments of your operation. Make the process of starting a business a learning experience for the whole family.
3. Organize your time and your household. Delegate responsibilities. It is worth the fight it might take at the beginning. If you end up having to do everything, nothing will get done properly.
4. Let the family know how important the business is, not just to you, but to the family as a whole.
5. Make use of community resources that can assist you with family matters.
6. Make sure you have good childcare arrangements including alternatives that can be called upon in case of sickness or holidays.
7. If you can, involve your children in your business. Being able to help you, even with the smallest task, will help them to keep a positive attitude towards the business.



Exercise - Barrier Breakers

Purpose

- to discuss possible barriers to starting your own business and begin planning to alleviate those concerns.

Time

- 15 minutes

Materials

- flip chart paper
- felt markers

Gather into groups of four. For the next fifteen minutes, discuss the barriers you think your family might raise about your going into business.

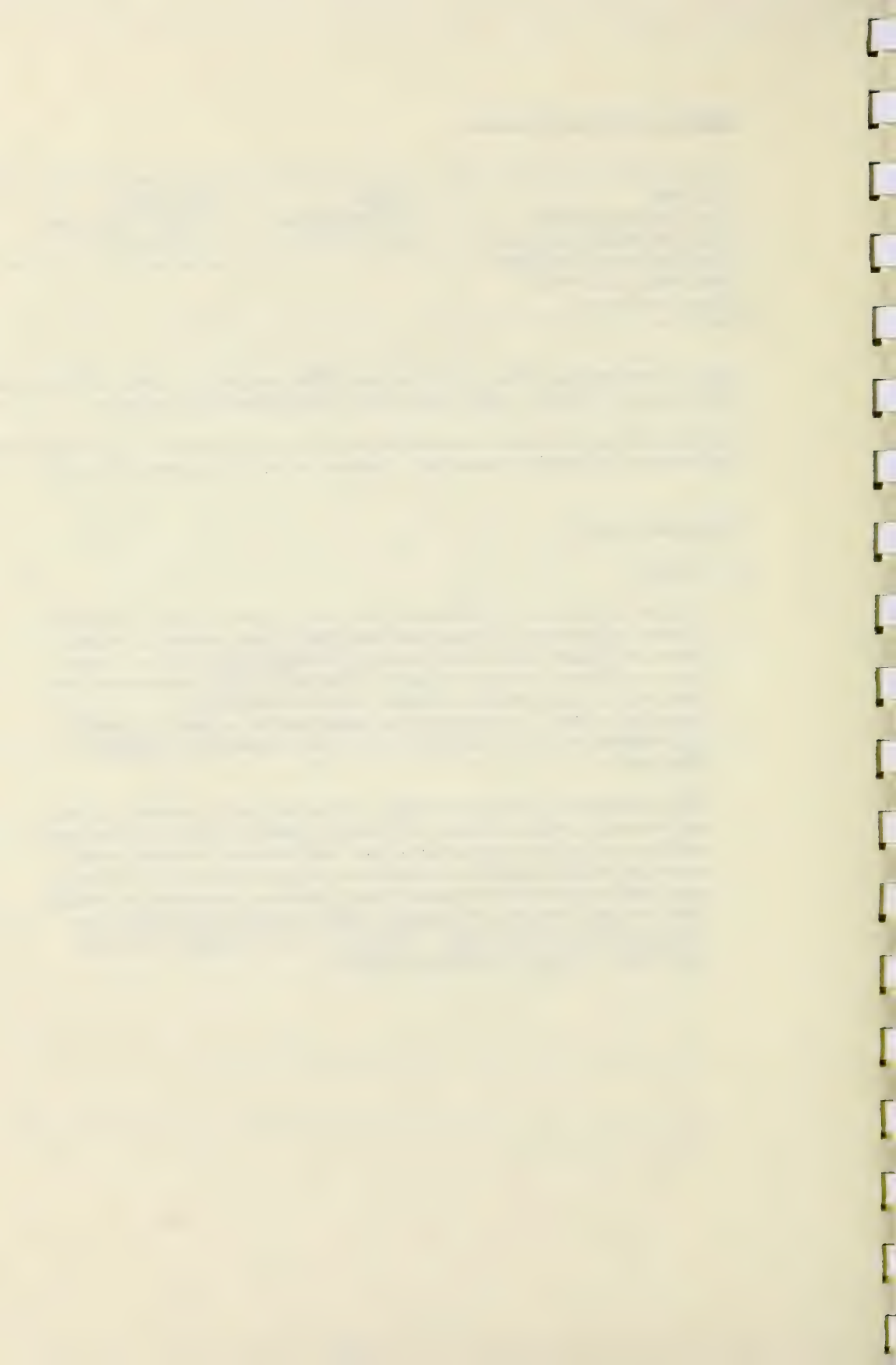
For each of these barriers, determine one "barrier breaker" that would help to alleviate the family's concerns. Discuss in the large group, if desired.

6. Gender Issues

a) Sexism

Sexism is the result of attitudes that lead to the unequal treatment of men and women. Sexism can be a factor that women in rural areas must face. It is more prevalent in industries where women have traditionally been excluded. Women in retail businesses are less likely to face sexist attitudes than are women in manufacturing. In any case, it is important to be able to identify the problem and deal with it if you want to operate a business effectively.

When faced with sexist attitudes, it is important to remain logical and to avoid confrontations. By taking control of the situation, and sticking to the business at hand, you will be able to smooth over many potentially explosive situations. A professional attitude on your part might not be expected from someone who does not realize that men and women are equals. And be careful if you attribute sexist attitudes only to men. Women can also assign traditional stereotypes to female business owners.



b) The Old Boys Network

In any community there is a collection of people who are perceived to have influence in that community, who network with each other, informally support each other, and can provide information and contacts to fledgling entrepreneurs. Traditionally, these people have been men, and they have been dubbed "The Old Boy's Network". It is not only important to recognize that the "Old Boy's Network" is alive and well, but also, that it can be useful to you. In a rural community, you must find a way to break into this network so that you can utilize the knowledge and expertise that other business owners share. Remember too, that you will be able to contribute your expertise to the group once you have been accepted.

There will always be one or two of the "old boys" that will admire what you are doing and will quietly help you and introduce you around. Find out who they are, and get to know them. Let them take you under their wings and give you advice. You are a fledgling at business and you can use their help in starting out. Be willing to accept their help with grace.

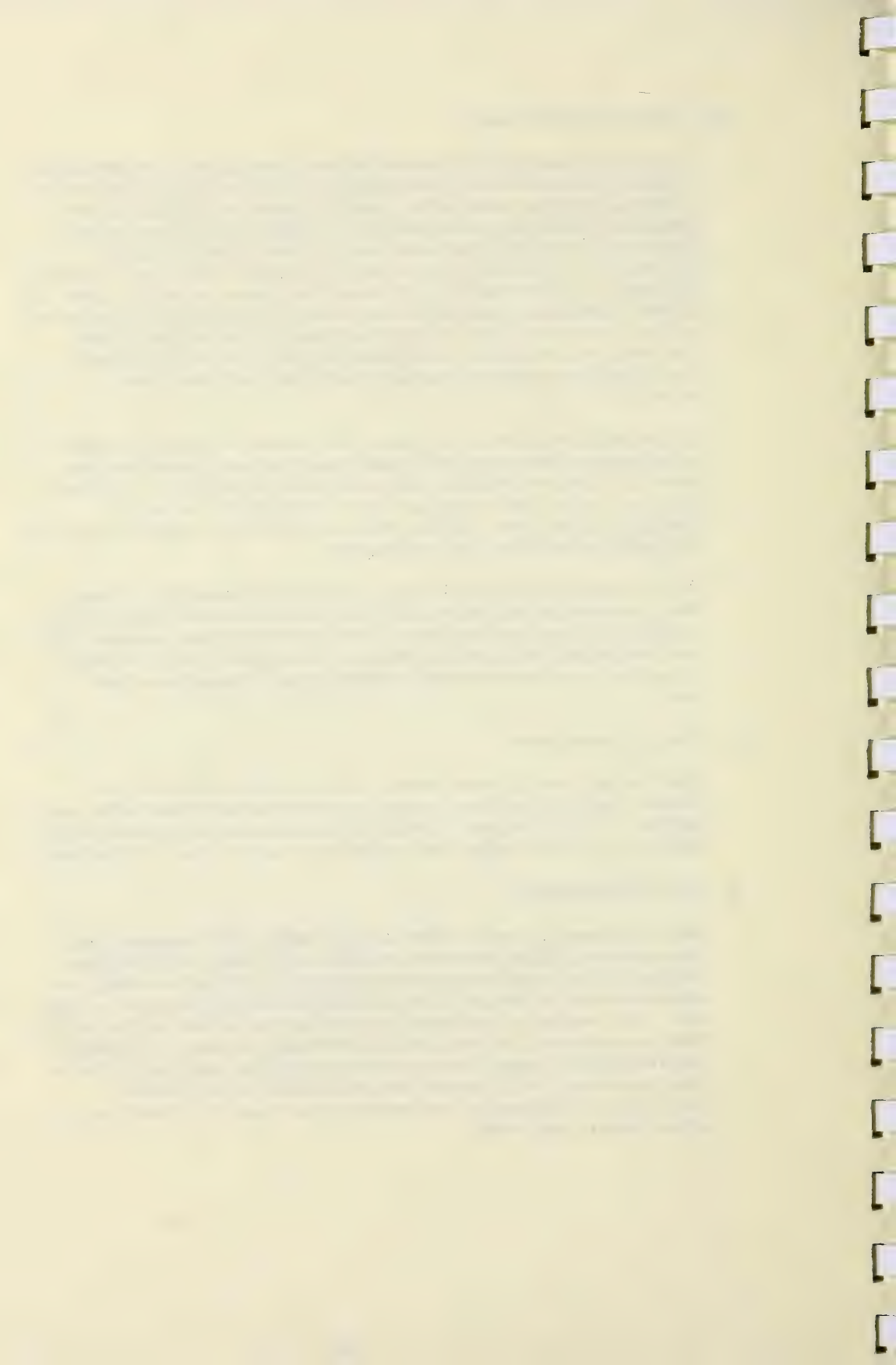
At the same time, try to develop a "Women's Network". Women who are starting out in business have specific needs which can be used to create a common bond. Find members whom you can trust, and exchange favours when you can. A support group is always important even to people who claim to have "made it on their own".

c) Sexual Harassment

Don't accept sexual harassment, and be realistic about it. Be aware of what constitutes sexual harassment, and know what your rights are in this regard. You'll find that an assertive attitude will help you in dealing effectively with these uncomfortable situations.

d) Sex in Advertising

Sex is commonly used in advertising to sell a wide range of goods and services. While your own attitudes and values will help you determine the image you want to project through advertising, you should always be aware of how women are being portrayed in your ads. As a woman in business, you **can** have an effect on the way in which women and sex are used in promoting products. If enough business people reject this marketing technique, and find it to be inappropriate, it will become less acceptable in the general population. Ultimately, the decisions you make in the way you advertise are your own.



III. ASSESSING YOUR BUSINESS POTENTIAL

1. Your Personal Situation

As has been discussed, starting your own business will affect your personal life. The successful woman business owner needs the support and help of her family. This is true, not only in the actual operations of the business, but also in the distribution of work within the home. We have looked at "barrier breakers" in the home earlier.

2. Your Skills, Experience and Education

- a) Skills - Through your paid work, volunteer work, work at home, and recreational activities, you have developed many skills which will be useful to you in running a business. It is important for you to determine just what those skills are and we have looked at skills earlier this evening.
- b) Education - It is important to evaluate the education you have to determine whether or not it is sufficient to meet your present needs. There are no hard and fast rules which state how much education is required to run a small business. There are small business owners who have learned everything they need to know by running the business itself. It can help, however, if your past education and experiences relate to your business.

Assessing your education will help you decide whether there are some gaps that can be filled through a course or program offered in your community. You might find that you need a specific skill course, or perhaps, a business management course. On the other hand, your assessment might make it quickly apparent that no further courses are required, and that you are ready to move ahead with your planning process. Over the duration of this workshop, decide if further education is necessary for you.

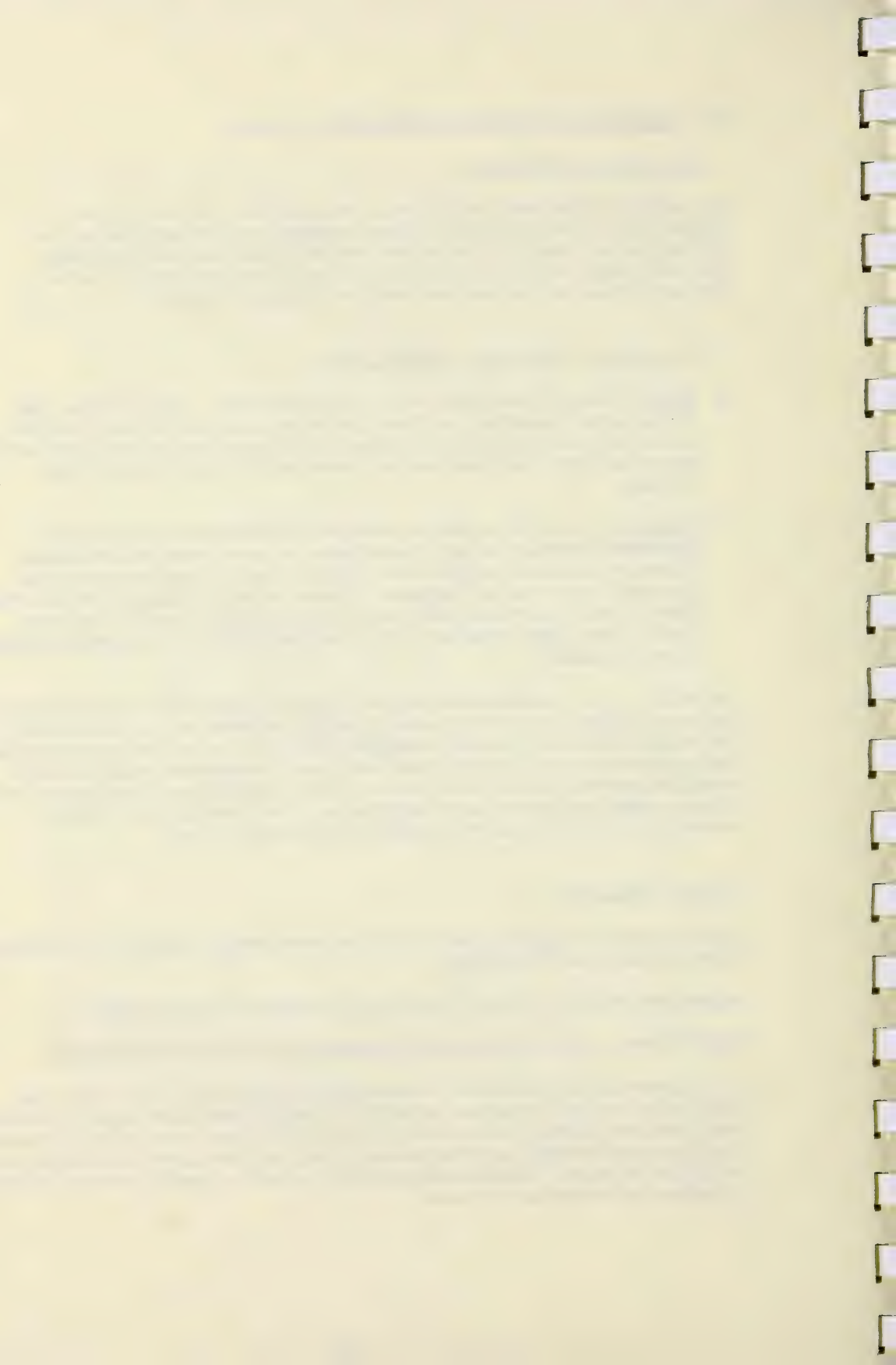
3. Your Finances

The final exercise in this module involves developing a detailed list of your financial assets and liabilities.

Assets are goods or property which can be easily sold to pay debts.

Liabilities are all your necessary payments and financial obligations.

It is important to create an accurate written assessment of your personal financial situation. An accurate picture of your finances can show you how much you can afford to invest in a business. You then need to find a business idea that can be based upon the amount that you have determined that you can afford to invest. Handout #3 provides you with a useful format. Please complete the worksheet at home.



MY FINANCIAL SITUATION**Assets**

List the value of the following items. If it is an item which could be sold, be realistic about its current market value.

Annual Salary		_____
Savings	- cash	_____
	- savings account	_____
	- bonds	_____
	- life insurance	_____
	- pension plan	_____
Sub-Total	a)	_____
Permanent assets (not easily sold)		
House		_____
Cottage		_____
Land		_____
Sub-Total	b)	_____
Movables (easily sold)		
Car (other vehicles)		_____
Machinery		_____
Livestock		_____
Grain		_____
Furniture		_____
Jewelry		_____
Antiques		_____
Boat		_____
Other		_____
Sub-Total	c)	_____
Total Assets (Add sub-totals (a+b+c))		_____

Liabilities

Handout #3

Short term	- bills	_____
	- installment payments	_____
	- taxes	_____
	- credit cards	_____
	- loans-personal, bank	_____
	- other	_____
Sub-Total	a)	_____
Long-term	- mortgage	_____
	- insurance payments	_____
	- other	_____
Sub-Total	b)	_____
Total Liabilities {Add sub-totals (a+b)}		_____

Subtract Total Liabilities from Total Assets to determine Net Worth:

Total Assets	_____
Total Liabilities	_____
Net Worth	_____

Your **Net Worth** is the combination of all your assets, minus your liabilities; it indicated exactly how much you are worth. When thinking about your financial abilities to start a business, you must first consider your net worth.

Finally, you must consider how much money you are prepared to invest in your business. Think about the amount that you have on hand, or are willing, and able, to borrow from various sources. Then determine how much you can afford to risk. Once you have considered all of these factors, you should have a good idea of the amount of money you would be willing to risk when starting your own business.

As you can see, there are many factors to consider before starting a business. Your family situation, your interests and education, your ability to manage a business, and your drive and energy, all play important roles in the decision making process.

The remainder of this workshop, over the next two days, will cover basic information on starting a business, marketing and operating a business, financial plans, business plans, legal issues and plans of action.

C.

STARTING

Purpose

To provide information on methods available for establishing a business, the various classifications of businesses, types of businesses, and sources of business opportunities.

Objectives

After completing this module participants will be able to:

- Identify four methods for establishing a business, and list some pros and cons of each method
- Identify various methods of classifying types of businesses and list some possible business ideas for each classification.
- Identify various types of businesses.
- Discuss possible sources of business opportunities.

I. WAYS TO START YOUR OWN BUSINESS

Exercise - Ways To Start Your Own Business

Purpose
- to evaluate different
ways of starting a
business.

Time
- 30 minutes

Materials
- flip chart paper
- felt markers

Gather into four groups and assign each group one of the following four ways become an entrepreneur: start a new business, buy an existing business, buy a franchise, or start a homebased business. Ask the groups to list the pros and cons of the particular method assigned. Before starting ask the groups to provide a few examples of a franchise to ensure understanding of the term. When the exercise is completed, display the charts and ask each group to present their information. Group leader should be prepared to fill in any gaps in information.

1. Start a New Business

There can be a great deal of satisfaction in transforming your own idea into a successfully run business enterprise, but, there can also be considerable risk. When you start a business from your own idea, you are completely in charge and can design the business to suit your personal goals. Because you are covering new ground, you can avoid some of the problems that go along with taking over an established business, or buying a franchise. Along with this independence, however, comes added responsibilities. You must be prepared to organize and carry out all of the business activities - everything from market research to promotion to management of finances - on your own.

2. Buy an Existing Business

One alternative to starting a new business, is to buy an existing business. There are many factors to consider before exercising this option. Some of the pros and cons of buying an existing business are as follows:

Pros

- there is an existing client base
- there is an existing, trained staff
- the business has already gone through the risky, start-up phase
- you are not adding to existing competition

Cons

- start-up costs will be higher than starting on your own
- the true value of an existing business is difficult to determine
- you may have to buy existing, hard-to-sell inventory and bad accounts.
- you may be buying a business's bad reputation

Should you decide that this is the way you want to proceed, ensure that you enlist the services of a lawyer to conduct a title search and to check for liens against the property. The following checklist provides some further guidelines for people interested in purchasing a business.

Adapted from: Shragge, Phil, *Be Your Own Boss: What's It Really Like?*
Northern Alberta Institute of Technology, Centre for
Entrepreneurship, Edmonton: 1985.

CHECKLIST FOR BUYING AN EXISTING BUSINESS

- 1) The most important thing to find out when buying a business is why the business is being sold.
- 2) Determine the type and size of business that is best suited to your skills, experience and interests.
- 3) Check with bankers, and read newspapers and trade publications to locate potential businesses for purchase.
- 4) When considering the purchase of an existing business, it can be helpful to make an "incognito" visit before you are identified as a potential buyer. There is a great deal that can be learned during this visit. Take a good look at the traffic in the area. Ask about the availability of products and prices. Check the competition in the area and talk informally to the owner of the business. You should be able to get a "feel" for the business.
- 5) If you are still interested in the business, begin your formal inquiry. Ask to see written reports of the business assets and liabilities. Look at a current financial statement which includes past and projected sales and operating figures. Ask the owner to provide you with any promotional materials and a copy of the lease(s). If you have established yourself as seriously interested, and the owner refuses to provide you with any of this information, you should be wary of any future dealings.
- 6) Finally, get professional advice on the value of the business from your accountant, and on the terms and conditions of the purchase from your lawyer.

When you have decided to seriously look at a particular business, investigate the assets of the business, and gather more information.

a) Defining assets

Before buying an existing business, the assets of the business should be closely examined. Both tangible and intangible assets should be investigated to determine their value and to ensure that they can be transferred to the new owner. The following list of assets, and questions to be considered with regards to these assets, provide some guidelines to follow in researching an existing business.

- i) **Inventory** - A count of existing inventory should be taken by an independent appraiser to determine a realistic price. The inventory should be examined for age, quality, saleability, style, condition, balance, suitability and freshness. The buyer must determine whether or not the current inventory is in line with what she would like to sell

and whether or not it meets the needs of her targeted market. How much inventory would have to be cleared out at a loss? When there is a time lapse between taking the inventory and the actual acquisition of the business, a method should be devised which allows the purchaser to evaluate the inventory at the time the business actually changes hands. Sometimes a second inventory will have to be taken at that time.

- ii) **Furniture, Fixtures, Equipment, Building** - Consideration must be given by the potential purchaser to the market value, condition, usability, and suitability of existing furnishings and buildings. Any necessary major changes must be accounted for. A buyer must also be aware of any liens against buildings, furnishings or equipment as well as the existence of assets located outside the business premises.
- iii) **Accounts Receivable** - If these are included in the purchase price, they should be studied closely. A spot check of the records will allow the buyer to approximate their age. Checking the credit standing of some of the larger creditors will indicate the general quality of the clientele. Accounts receivable should be aged by the period of time outstanding. As a general rule, the longer the period that an account has been outstanding, the less the value of the account. Check the amount of business coming from credit customers with slow payment records? If a stricter credit policy was established, determine if key customers would be lost.
- iv) **The Lease** - There are a number of questions which must be considered in regards to an existing lease. First, is the lease included in the contract so that the legal obligation to purchase depends on the availability of the lease? Is the lease transferable to the buyer? A potential buyer must also know whether or not the covenants of the lease will enable them to carry out their planned activities. The term of the lease, current rent, and the basis on which rent increases will be determined for a renewed lease must also be established. A person must also know if the options to renew, sublet or assign the property are included in the lease. If the latter two options are not available, there could be a problem with subsequent resales. A potential buyer must be aware of all the terms and conditions of the lease and decide whether or not she can live with them.
- v) **Customer Lists, Business and Credit Records, Mailing Lists** - If well developed, these can be very valuable and should be included in the sales agreement.
- vi) **Trade Marks, Patents, Copyrights, Business Names** - These may be essential to the success of the business. Are they included in the agreement and transferable to the new owner? Will they maintain their present value?

- vii) **Business Reputation and Clientele** - Research the following:
- Does the business have a good reputation and established, satisfied, clientele?
 - Are there many customers who do business with the seller out of personal attachment but would leave if she/he did? Does the purchaser have to allow a probable loss of a certain percentage of clients? Will this affect the value of the business?
 - Are there firm contracts with key customers which are transferable to the new owner?
- viii) **Supplier, Credit Relations** - Research the following:
- How are business relations with suppliers? Will they continue, and will you be able to maintain favourable terms?
 - Are the supply sources satisfactory? If not, is the business committed through contracts to them for a considerable time?
 - What future deliveries have already been scheduled?
- ix) **Trained Personnel** - When buying an existing business, consideration must always be given to personnel issues. You must determine whether or not key employees will continue to work for the business under your management. If they are lost, how adversely will this affect the business? Are the existing employees an asset to the business, or would changes have to be made.
- x) **Business Liabilities** - Liabilities may be extensive and hidden, so the help of an accountant and lawyer is absolutely necessary. Liabilities may include unpaid bills, chattel mortgages on equipment, back taxes, liens against assets, back employee benefit payments including holiday pay, pending legal suits as well as other creditors' claims. The liabilities that will be assumed by the buyer should be put in writing and included in the selling contract. The contract should include a statement that all claims not shown and revealed in writing at the date of acquisition will be assumed by the vendor. Carefully following proper legal procedures is instrumental in protecting a potential purchaser.

b) **Information gathering**

Once you have defined the business assets, you should try to gather information on the following areas:

- i) **Business Performance** - Determine the past and present trends of the field of business, the neighborhood and community, as well as the particular business being considered for purchase. Consider the following:
- How does the business compare with competitors and similar businesses?
 - What is the history of its location over the past few years? How many, and what types businesses, have been there? How successful have they been and what obstacles did they face?

- ii) **Projected Sales** - From the sales and operating data gathered, attempt to project sales, profits and cash flows for at least the next 12 months. This information will help the buyer to plan for working capital requirements, reserves, living expenses and seasonal demand factors.
- iii) **Capital Investments** - The potential buyer must be aware of the total capital requirements of the business. The buying price is only one of the factors that affect the capital costs. Sufficient working capital must be available for repairs, modernization, new equipment, and new inventory. The new owner must also have cash to carry accounts receivable, taxes, insurance, depreciation and opening expenses. A ten percent reserve should also be set aside to cover the inevitable, unexpected expenses. It is the total capital investment that should be considered in determining business profitability.
- iv) **Financing** - Before becoming committed to the purchase of a business, arrangements for financing should be in place. It is important to ensure that you have a significant down payment in order to avoid being burdened with excessive loan repayments.
- v) **Other** - If special licences are required to run the business you must ensure that you are eligible to become a licensee. You must also find out if the building and equipment meet local building and health code requirements.

This is not intended to be an exhaustive list of information that should be researched. Individual businesses may have unique circumstances and participants should be able to adapt their research to obtain the kinds of information they will require.

Adapted from: Shragge, P., *Be Your Own Boss - What's It Really Like?*
Northern Alberta Institute of Technology, Centre for
Entrepreneurship, Edmonton: 1985.

3. Buy a Franchise

A third option available to potential small business owners, is the purchase of a franchise. Franchising involves an ongoing agreement, based on a contract, between the franchisor (the parent company) and the franchisee (the new business). The franchisor gives the new business owner the right to market a product in a defined area for a set start-up fee and royalties. The franchisor usually maintains control over how the product is sold.

The main advantage of buying a franchise is that most of the groundwork associated with establishing the business has been done. The new business receives the benefits of the parent company's experience, as well as an accepted, standardized product. The main disadvantage of buying a franchise is the restrictions placed on the entrepreneur by the franchisor.

The purchase of a franchise can be complicated, and will certainly involve a written contract between yourself and the franchisor. Before deciding to purchase a franchise, it is very important to consult a lawyer who specializes in franchises.

Questions To Ask Before You Buy A Franchise

- Is the industry in healthy shape?
- How fierce is the competition?
- Does the product meet a real demand in your location?
- Do you have the right background for the business?
- Would you like to do business with a franchisor?
- How many businesses has the franchisor sold?
- Is the franchisor interested in a long-term relationship?
- Do you have to buy supplies from the franchisor?
- What are the renewal terms?

Adapted from: *Working Woman*, April, 1990.

4. Start a Homebased Business

Over the last 20 years there has been an increasingly popular move towards homebased businesses. A number of reasons can be cited to explain the growth of this industry. An article from **Chatelaine** magazine explains that the increased demand for personalized products and convenient services has inspired many new businesses. Women, in an effort to supply this new demand, have transformed hobbies into profitable business ventures.

The recessionary economy forced many women to consider setting up their own businesses. Then, starting a homebased business became a viable option for women who were unable to find work in the traditional labour market. At the same time, women in the labour market have been looking for more flexible work arrangements. Homebased businesses have provided them with the opportunity to control their work environment to a much greater degree. As well, the increasing availability of smaller and less expensive models of personal computers, facsimile machines, photocopiers and answering machines, has made the establishment of a home office more feasible. (Dennis, 1984, p.102)

There are many advantages to running a business out of the home. Women, through managing homebased businesses, are able to gain valuable experience and to develop their self-confidence. If, after time, they find they are not satisfied with their work situation, their increased skills and experience will help them in seeking conventional employment. Homebased businesses can also be run co-operatively. This can be of special benefit to women in rural areas because it lessens their isolation from one another.

The following list of pros and cons can help you assess whether or not this type of business is appropriate for your situation.

Pros

- Skills that have been developed through homemaking can often be transformed into a marketable product or service.
- The homebased business owner has control over the work that is done, and can set her own pace and schedule.
- There are fewer expenses in running a homebased business because rental costs are eliminated.
- Childcare can be less of a problem for women who run homebased businesses. Increased flexibility allows more time with the children and decreased need for "emergency" arrangements when a child becomes ill.
- Women, in general, prefer to hire other women to perform tasks oriented to the home and family.

Cons

- There may be some difficulty balancing time between the family and the business. In some cases, there may not be enough undisturbed time to run the business adequately.
- Not getting out of the house to go to work can cause problems. Some women find that there is a lack of creative stimulation and have increased feelings of isolation when working out of their own homes.
- The lack of regular paycheques, as well as benefits, can be a disadvantage for some women.

- At times, it can be difficult to present a "professional" appearance in the home, especially when there are children around the workplace.

Exercise - Generating Ideas:

Purpose

- to establish the range of possible businesses.

Time

- 15 minutes

Materials

- flip chart paper
- felt markers

Handout #5 provides some ideas on homebased businesses. Before distributing it, ask the participants to brainstorm with the group leader a few examples of ideas for possible businesses for each of the categories below.

A. Food and Entertainment

- making anything - from desserts to catering dinner parties
- making a food specialty - e.g. relish or jam
- making lunches for business people
- catering children's birthday parties
- giving cooking lessons or food demonstrations

B. Child-oriented

- providing babysitting services
- providing a driving service to take children to activities
- instructing children in music or art

C. Household related

- doing home improvements or renovations - including painting and wallpapering
- providing a cleaning service

D. Fitness, Health and Beauty- oriented

- conducting private exercise classes
- organizing bicycle and camping trips
- analyzing wardrobes

E. Cottage Craft Industries

- creating or teaching pottery, knitting, weaving or sewing

F. Sales

- marketing other people's crafts
- selling door-to-door
- operating a mail order service
- working as a manufacturer's representative
- importing goods from other countries

G. Community/oriented

- shopping service for the elderly
- operating a telephone answering service or wake-up call service
- becoming a tourist guide
- operating a plant sitting service
- operating a pet sitting service

H. Technology/oriented

- operating a word processing business
- operating a desk top publishing business

I. Professional Services

- running a consulting service
- acting as a promotions consultant
- doing free-lance writing

QUICK THOUGHTS ON HOMEBASED BUSINESS

Turn What You Know Into A Business

- Plan parties and weddings.
 - Become a consultant (management consulting, wardrobe or colour consulting, interior decorating, home and office organization consulting).
 - Write and sell "how to" books (how to find a job, how to grow prize-winning azaleas, how to coach little league soccer).
 - Produce "how-to" tapes or video cassettes (how to buy investment property, how to sell your own home).
 - Publish a specialty newsletter (backpacking news, organic gardening tips, guide to summer camps).
 - Teach classes, give seminars, or tutor in your areas of expertise.
-

Turn Your Kitchen Into A Business

- Catering services
 - Chocolate chip cookie business
 - Pet food products
 - Cooking service for specialized diets (macrobiotic, Pritikin)
 - Cooking school
 - Herb and spice packages
 - Specialized candy
 - Healthy snack food
 - Canning gourmet fruits, jellies, and preserve
-

Other Ideas For Putting Things Around the House to Work

- Use your piano for lessons, or rent practice time on it.
 - Give swimming lessons in your pool.
 - Turn a family room into a daycare centre.
 - Convert a side porch into a hothouse and sell exotic plants.
 - Turn your yard into an organic vegetable garden and sell the produce.
 - Dry the flowers growing in your yard and create gift sachets.
-

Salaried Jobs You Can Hold At Home

- Booking agent for consultants, speakers, travel agencies, etc.
- Computer software writer for software firms, corporate DP departments
- Customer service representative for mail order companies, retailers
- Data entry clerk for insurance companies, government agencies etc.
- Employment representative for search firms, temporary agencies
- Environmental analyst for utilities, consulting firms, etc.
- Financial analyst for corporations, consulting firms
- Insurance agent
- Market manager for manufacturers
- Market researcher for corporations, consulting firms
- Market support representative for sales department of a company
- Patent searcher for law firms, companies consultants
- Personnel analyst for large or small corporations
- Researcher for corporations, consulting firms, research services
- Reservation agent for airlines, car rentals, hotels, resorts
- Stockbroker
- Systems analyst for software firms or corporate data programming departments
- Telemarketing representative for telemarketing firms, sales departments
- Telephone order taker for mail order firms, retailers, etc.
- Transcriber for medical, legal fields
- Utility rate forecaster for consulting firms, utilities
- Word processor for services, corporations, professional offices
- Writer, editor, instructional designer for publishers, software firms

Possible Home/Office Deductions

- Cleaning
- Depreciation of equipment, vehicles, etc.
- Electricity
- Gas
- Home repairs related to business space
- Household supplies
- Insurance premiums
- Mortgage interest
- Real estate taxes
- Rent
- Telephone
- Trash Collection
- Water

(Landscaping and lawn care expenses are currently frowned upon by the income tax assessors, but if customers come to your house regularly, a case can be made for their deductability.)

Ten Tips for a Successful Home/Office

1. Find a separate room for the office, away from the family living space.
 2. Set up a work schedule and regular business hours.
 3. Have a separate telephone line with an answering machine or service, and teach family members how to answer the phone.
 4. Plan for your equipment needs.
 5. Keep the refrigerator off limits.
 6. Treat household interruptions as if you were at the office.
 7. Get the support of family members, clients, co-workers, and boss.
 8. Get out of the house at least once a day.
 9. Arrange child care for children under five years of age.
 10. Keep your contacts with colleagues and co-workers alive and current.
 11. Remember you are your own advertising. Keep your business image in mind.
 12. Dress professionally.
 13. Present the flexibility of working at home as a benefit to your clients.
 14. Design a logo and use it on all stationery.
 15. Ensure that household cooking smells are not obvious when your clients call in person, or drop in.
-

Four Plans for Starting a Home Business

1. The Moonlighting Plan

Keep your full-time job and develop your business as a sideline. When it takes off, you can go full-time. Be sure to work at least eight hours a week on a sideline business.

2. The Part-Time Plan

Work a part-time job to provide a base income while you are building up the business. When your business equals the base income, drop the part-time job.

3. The Spin-Off Plan

Turn your previous employer into your first major customer, or, when ethically possible, take a major client with you from your previous job.

4. The Cushion Plan

Build up your financial resources so that you are able to support yourself while you start your business. Your cushion should be large enough to cover your base expenses for six to twelve months.

Adapted from: Winter, M.A., Mind Your Own Business. Be Your Own Boss - Everywoman's Guide to Starting a Business and Succeeding, Waxwing Productions Ltd. Toronto: 1980.

VIDEO

"In The Company of Women"
or, "Enterprising Women"

II. DEVELOPING A BUSINESS IDEA

Business ideas can come from many different places. This section is designed to provide you with information that will assist you in formulating your own business idea.

1. Types of Businesses

Defining possible areas of business is a first step to developing a business idea. The following are definitions and examples of different types of businesses.

Retail Business - is the selling of already produced items from a store or central location. Usually a selection of merchandise is offered to the consumer through a retail outlet. Examples: Clothing, Sporting Goods

Direct Sales - is the selling of a product which is not kept at a central location accessible to the public. There are fewer start-up costs in this type of business because a stock of inventory is not essential. Examples: Cosmetics, Insurance, Real Estate

Service Business - is the provision of a service to another person or another business. Examples: Repair Shops, Hair Salons, Cleaning Services

Manufacturing Business - is the production of articles from raw materials. Most often, these articles are subsequently sold or used by other businesses. Examples: Plumbing Fixtures, Circuit Boards, Clothing

Construction Business - is the building or remodelling of structures with raw materials. Examples: Office Buildings, Houses, Bridges

2. Sources for New Ideas

When searching for a business idea, there are many places an enterprising entrepreneur can look. Think about some of the following possibilities.

Education - Many business owners are able to develop businesses which are directly related to their own education. In the case of highly technical industries, 47% of business owners used their education as a means of starting a business.

Present job or hobby - A new business idea might develop as a spin-off from a present job or hobby. In general, about 60% of business owners start businesses which are related, in some way, to their last jobs.

A need in the marketplace - Ideas are sometimes generated through voids in the existing marketplace. A potential owner realizes that a service or product she needs is currently not available. Alternatively, she might realize that she can provide a better service or product than those that are presently in the market.

Changing conditions - Changes in the way we live can produce opportunities for developing new ideas. Sometimes it can help to visit a large city where trends are set, and new products are often introduced. Keep an eye on newspapers and trade magazines, such as Canadian Business and Small Business Week, for new business ideas and opportunities.

Friends and associates - It is always a good idea to keep your eyes open in all parts of your life. If you are not sure of what kind of business to start, but you do know who you want to serve, talk to your potential customers and ask them what they want or need. People in business or government circles are sometimes a good source of new ideas. Patent brokers, the people who help inventors with their ideas, can help you find a new product to market. Friends might also be able to tell you what kind of business they think you would be good at. Don't hesitate to ask people for their assistance.

Handouts #6, #7 and #8 provide further information on where to look for new business ideas. Review them quickly with the large group.

SOURCES OF NEW BUSINESS IDEAS

Introduction

Generating new business ideas *can* be a matter of inspiration, but, more often than not, it is just plain hard work. There is a lot of research involved in developing a viable new idea. To help you in your search, the following material provides an extensive list of sources of ideas for specific business opportunities.

Sources of Ideas

1) Business-oriented Magazines and Books

Ideas for profit-making businesses seem to abound in magazines, especially those that are specifically oriented to this goal. You must, however, be aware of the "get-rich-quick" schemes which are especially common in the advertisements of these publications. Usually, you will find two types of ads in these magazines: a) those that are aimed at entrepreneurs interested in old standbys such as gunsmithing, travel agency catalogue sales and mail orders, and b) those aimed at the gullible public who can be convinced by good copy that they will obtain instant riches with little effort and practically no investment.

The large majority of these "get-rich-quick schemes" allow only the promoters of the scheme to actually make any money. It only makes sense that if any of these "secrets of success" had real value, the advertiser would use them and not bother spending a lot of money advertising simply to "help" others.

Magazines, therefore, can be a valuable source of entrepreneurial ideas and advertising methods, but they are not likely to provide simplistic ways of starting a lucrative business.

The following are magazines worth reading for business ideas:

- Business Week
- Canadian Business
- Choices (For Women)
- Entrepreneur
- Forbes
- Fortune
- In Business
- Inc.
- Small Business
- Success

Books that can assist you in starting a business are:

Business Opportunity Identification. NAIT Centre for Entrepreneurship, Edmonton: 1986.

Cook, R., Money-Making Ideas for Retirees. General Publishing Co., Toronto: 1983.

Edwards, P. & S., Working From Home. St. Martin's Press, New York: 1985.

Gillenwater, S., & Dennis, V., Extra Cash For Women. Writer's Digest Books, Cincinnati: 1982.

Gillis, P., Entrepreneurial Mothers. Rawson Associates Printers: 1984.

Government of Canada. Removing Obstacles to Entrepreneurship. Queens Printer, Ottawa: 1987.

Gray, Douglas A. The Entrepreneurs Complete Self-Assessment Guide. International Self Counsel Press Ltd., Toronto: 1986.

Jennings, D., Self Made Women. Taylor Publishing Co., Dallas: 1987.

Jennings, W.E., Entrepreneurship: A Primer for Canadians. Canadian Foundation for Economic Education: 1985.

Koester, S., & Hunt, M., Life Skills for Women in Transition. University of Alaska: 1982.

Levinson, J., 555 Ways To Earn Extra Money. Holt Rinehart Winston, New York: 1982.

Martin, C.L., Starting Your New Business: A Guide for Entrepreneurs. Crisp Publication, Inc., Los Altos, California: 1988.

Scollard, J.R., The Self-Employed Woman: How To Start Your Own Business and Gain Control of Your Life. Simon and Schuster, New York: 1985.

Smith, R.D., Getting Started - A Practical Guide to Your Small Business Success in Canada. International Self Counsel Press Ltd., Toronto: 1985.

Welsh, J.A., and White, J.F., The Entrepreneurs Master Planning Guide. Prentice Hall, New York: 1983.

Winter, M.A., Mind Your Own Business. Be Your Own Boss. Waxwing Productions Ltd., Toronto: 1980.

Wisely, R., and Sanders, G., The Independent Woman: How to Start and Succeed in Your Own Business. J.P. Tarcher, Inc., Los Angeles: 1981.

2) Trade Shows

Attending trade shows is one of the best ways of identifying new products as soon as they are on the market. Associations, companies, and even individuals such as hobbyists and inventors, exhibit their products and ideas in local, national or international trade shows usually held on an annual basis.

3) Previous Employment

Many new businesses have been started from ideas or products which have been part of the entrepreneur's previous employment. Sometimes an employer might not be interested in the product or service that the employee wants to develop. In such cases, they may sell, or give the employee the right to start up a company to market the product or service. Some firms will even help the entrepreneur set up the business in return for some equity in it.

Other businesses have been developed by entrepreneurs who identified a service which was not being adequately performed by a previous employer.

When starting a business which originated with a previous employer, you must be aware of violating any patent, trade secrets, employment contracts, etc. Consult a lawyer if there is any doubt about the legalities of the business.

4) Your Targeted Market

If you have decided on a specific market or industry, and you clearly know who your potential customers are, you can survey their needs to determine the type of product or service they would buy. As an example, if you wanted to get into the fishing supply business, you might get some ideas by talking to people who enjoy fishing and boat owners.

5) Competitors

Size-up your competitors' products and services carefully to see if you can improve on what they do. Many a competitor has been outsold by a new entrepreneur whose operation is more efficient.

If you think you can't improve on what your competition is doing, you might be able to offer the same service or product in an area where the market is still untouched.

Adapted from: Shragge, Phil., *Business Opportunity Identification*, Northern Alberta Institute of Technology, Centre for Entrepreneurship, Edmonton: 1986.

SOURCES OF BUSINESS OPPORTUNITIES

This handout will explain five different sources of business opportunities. In To gain a better understanding of the various options, each one will be examined individually.

1) Replacing an Existing Product or Service

By far the greatest number of new businesses started each year are simply copies of existing businesses. There are two situations in which this kind of start-up makes sense. The first is when an expanding market can support either more of the kinds of businesses that already exist in the area or new businesses that previously did not have sufficient market support. The second situation is when people perceive that the market is not being adequately taken care of in terms of variety, quality, service and so forth. This is a subjective judgement that needs a lot of market research before proceeding further.

2) Developing a New Product or Service

Probably the most glamorous (and difficult) way of starting a business is to introduce a totally new product or service. These are the ventures that, when they succeed, are written up in the popular press. We all know how Steve Jobs and his partner invented micro computers in a garage, and how Nolan Bushnell capitalized on the computer game craze by starting a company called Atari. Of course, we never hear about the thousands of businesses that fail because their new ideas are not accepted in the marketplace. The main problem facing entrepreneurs trying to introduce a new product or service is getting the answers to the following basic marketing questions:

Who will buy the product or service?
Is the market large enough to be profitable?
How can the market be reached?

If you can get satisfactory answers to these questions and the ideas meet a widespread basic need or solve some recognized problems, then you may indeed have a winner!

The following businesses successfully introduced new products and services.

BUSINESSES THAT SUCCESSFULLY INTRODUCED NEW PRODUCTS

Citrin Corporation: Manufactures specialized products for the geriatric market: U-shaped back scrubbers that don't put stress on the shoulder joints, two foot long tongs to pick items off the floor, gadgets for helping older people put on and take off their socks, large print cookbooks.

Astre Corporation: Designs and sells bags filled with chemicals that will dry-clean clothes at home.

Pain Intervention Inc. : Manufactures and sells a device for dentists which transmits a low voltage current to kill pain in dental patients, instead of using needles filled with novocaine.

Altieri Brasspacs, Stringpacs and Woodwind Pacs: Manufactures musical carrying cases designed so that you can carry the instrument on your back like a backpack.

Pet Duti: Makes adjustable cloth harnesses with disposable bags that fit around the derriere of dogs - for when dog owners need to take pets out for B.M.'s

Action 2: Manufactures a two-headed toothbrush that helps you brush both sides of your teeth at the same time.

BUSINESSES WHICH SUCCESSFULLY INTRODUCED NEW SERVICES

Euraide Inc: Members travelling to Europe can call an office in Munich to pick up or send messages to get travel help.

Cognetics: Uses an original, broad-based data base on small businesses to provide market research information.

Structured Approaches Inc.: Uses computers, to match people who want to buy a business with businesses that are for sale.

Data Search: Uses computers to match buyers and vendors of used cars.

Boston Walkabouts: Rents or sells portable tape players with tour guide cassettes as part of a guide service of walking tours of the city of Boston.

Timesaver Inc.: Helps people with bad credit ratings, or those with no previous credit ratings, to obtain credit cards.

Delphi Associates: A group of psychics who provide consulting services in a number of areas.

Cigna Corp.: Provides up-to-date information on insurance rates for insurance agents.

3) Developing a New Way of Making an Existing Product

Most new ideas for improving the production process come from people who work, or have worked, in a particular industry and are therefore familiar with existing technologies. For many mature industries where markets have peaked, or are declining, productivity advances become extremely important since they can lead to increased market share. For this reason, developing a way of producing a product more efficiently can be extremely rewarding.

Examples of new or improved processes include:

Aluminum Minimills: Uses scrap aluminum instead of aluminum ore to fabricate a specialized line of products.

Wei'T'O Associates: Developed a nonaqueous liquid process to deacidify books which gradually are destroyed by the acid in the paper. Sold primarily to libraries and museums.

Advanced Mineral Technologies: Uses microbes to extract gold and other minerals from solutions.

Flexography: Developed a new way of printing which replaces traditional letterpress and offset presses because it can use water-based inks instead of traditional oil-based inks. This eliminates the ink from coming off on readers' hands. Water-based inks also make a better, clearer impression.

4) Developing a New Use for an Existing Product or Service

Many good business ideas can be found by thinking of new ways of using existing products or services. Lateral thinking techniques are particularly effective for this purpose.

Examples of new uses include:

Latitude Corporation: Manufactures a device using a microchip for keeping track of the date, mileage and purpose of each automobile trip.

Copy Tele Inc.: Uses modem technology to connect your desk computer directly with the office photocopy machine.

Historic Newspaper Archives: The company purchased a million old newspapers from libraries that are switching to microfilm. These newspapers date from 1880 to 1974 and are sold for \$29.50 each, mostly as birthday gifts.

Colgen Ltd.: Uses a personal computer to analyze any colour and produce a "recipe" for duplicating the shade to be used primarily by paint stores and dental facilities.

Soda Water: Uses soda water as a cleaning fluid for clothes and carpets.

Videoinsure: Uses video tapes to make a visual record of all valuables which must be listed separately in an insurance policy. This method provides a better description of insurable items than can be made in writing.

5) Developing a New Way of Distributing a Product or Service

Finding a different or better way of getting a product or service to its ultimate user offers many business opportunities. Again, lateral thinking techniques can be used effectively to generate such alternatives. Examples of alternative distribution methods include:

Honeymoon Village Inc.: Provides total service and products for weddings including: chapel, reception hall, portrait studio, showers and change rooms, rental of tuxedos and wedding gowns, limousines, honeymoon suite.

MCI Equipment: Imports backhoes, loaders and other construction equipment from European subsidiaries of American companies. Writes their own warranty and undersells U.S. dealers because of the currency exchange rate differentials.

American Hospital Supply: Sells its line of hospital equipment and supplies by installing computers in the purchasing offices of large customers. Buyers select and order directly by computer rather than through sales people.

Houston Autofair: Conducts weekly automotive flea markets.

D'Lites: Established reduced calorie fast food restaurants.

Brookfield Nursery and Tree Plantation: Sells Christmas trees directly to customers through the mail. The tree is cut the day the order is received so that it is much fresher than those purchased from a lot. Trees are shipped in cardboard boxes to protect them from damage.

Adapted from: Shragge Phil, *Business Opportunity Identification*. Northern Alberta Institute of Technology, Centre for Entrepreneurship, Edmonton: 1986.

BUSINESS IDEA HINTS

Start a Business Doing Things People Hate To Do

Income Tax Service
Investment Counselling
Estate Planning
Real Estate Management
Inventory or Mailing List Management
Selling (as an independent representative)
Cleaning Service
Window Washing
Van and RV Washing
Shopping and Gift Buying Service
Equipment Repair and Fix-It Service
Pick-up and Delivery Service

Turn a Van or Pickup Truck Into a Business

Gardening or Yard Service
Carpentry or House Painting
Swimming Pool Maintenance
Home Maintenance and Repair
Mobile Lunch Wagon
Party-plan Sales (clothing, cosmetics, computers, housewares)
Plant Care Service
Hauling or Moving Service
Mobile Computer-repair Service
Mobile Auto-repair Service

Options for Turning a Hobby or Interest Into a Business

Creating Arts and Crafts
Selling Antiques or Collectibles
Selling Cosmetics
Doing Interior Decorating
Teaching Dance and Exercise Classes
Offering Tennis Lessons
Breeding, Training and Grooming Dogs
Giving Singing Lessons
Appraising Collections (stamps, coins, art)
Running a Recording Studio

Questions 1 through 5 in Handout #9 are designed to help narrow down some business ideas for those women who have no idea of what kind of businesses they would like to start.

Questions 6 through 12 in Handout #9 are designed for those women who have some ideas in mind. Answering these questions will require some preliminary research work.

In either case, when working on a business idea, keep in mind all the factors discussed earlier to ensure your business meets your personal, financial, and professional goals.

Handout #9 can be completed on an individual basis, or in small groups.

LOOKING FOR A BUSINESS IDEA

To help develop a business idea, answer the following questions.

1. What trends (a series of changes that affect people's lives) can you identify as being significant to current economic conditions? e.g., population shifts in age, education or residence. Consider those which are generally applicable to Canada, as well as those specific to your local area.
2. Can you identify changing trends in people's values, lifestyles, or consumer habits, that may impact on business opportunities? Again, consider those that are general to Canada, as well as those specific to your local area.
3. What products or services might be in demand as a result of the trends you have identified?
4. Identify which of these ideas sounds the best to you and consider whether or not you would like to pursue it further.
5. Identify your interests and experiences in this area.

The following questions are to be answered by those who have a business idea.

6. What is your idea? Explain the product or service and the people who are going to buy it.
7. How did you come up with the idea?
8. Why do you think it is a good idea?
9. What kind of experience do you have in this field? If, none, explain how you intend to get information in the area. List any of the people you know who are currently working in this field.
10. Have you worked out details such as prices, location, or marketing ideas?
11. How viable is your idea as a money-making business? Will you be able to generate enough revenue to cover your start-up costs?
12. How practical is your idea? What kind of equipment and/or raw materials will you need to go into business?

Writing up your business idea will help you to develop it further.

Women's Career Resources
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and Employment

STEP-BY-STEP APPROACH TO STARTING YOUR OWN BUSINESS

1. Assess your interests, skills, and values.
2. Develop a business idea that best suits your interests, skills and values.
3. Research your idea, any similar business, and the market for your idea.
4. Research possible marketing techniques for your product/service and forecast your probable share of the market.
5. Determine if you need entrepreneurial or business training.
6. Select an appropriate business structure.
7. Develop a business plan containing an operating plan, a marketing plan, and a financial plan, including:
 - Finding out about licences and permits,
 - Establishing a record keeping system,
 - Selecting your business premises,
 - Talking to suppliers,
 - Researching tax obligations,
 - Researching employment regulations,
 - Estimating start-up costs,
 - Opening a business account,
 - Forecasting staffing requirements.
8. Get professional advice.
9. Approach financial institutes for financing.
10. Insure your business.
11. Set realistic goals.
12. Promote the product/service.

D.

PLANNING

Purpose

To emphasize the importance of the business plan, and to explain its most important components.

Objectives

- After completing this module, participants will be able to:
- Describe the importance of a complete business plan.
- Identify the major components of a business plan.

I. THE BUSINESS PLAN

1. Overview

Preparing a business plan is the most important step you can take in organizing a new business. The business plan is like a blueprint - it provides you with the structure on which you will be building your business. Without it you will have nothing to guide you along the way and keep you on the right track.

There are three main reasons for investing your time and effort in developing a proper business plan.

- 1) It is the best way to determine the possible risks and likelihood of success of a business idea prior to investing your savings. You can prove to yourself that you have a valid idea.
- 2) Banks and investors require a written business plan from entrepreneurs seeking their financial assistance.
- 3) After starting your business, the business plan can be used to help you stay on track and remain competitive. Business plans should be consulted on a monthly basis to ensure that budgets are being adhered to. In this way, any problems can be quickly identified and corrected *before* they cause major business disruptions.

Handout #11 provides a further explanation of why a business plan is important to your new business venture, and its basic components.

PREPARING A BUSINESS PLAN

You may be asking, "Why should I prepare a business plan?" Well, successful entrepreneurs advocate it. Venture capitalists require it. Bankers desire it. New venture capitalists suggest it. Why indeed, prepare a business plan? Because it improves the possibility of your succeeding at your business venture.

There are few people who would attempt to build a multi-million dollar building without first preparing detailed plans. The same is true for someone planning to build a multi-million dollar business. Well, these same principles apply to anyone planning to start a business - no matter the size of the business. The business plan becomes the capstone to all your detailed plans and forecasts. And herein lies one of the main reasons for preparing a business plan - to convince yourself, and others, that you know what you are doing.

The business plan is a concise summary of the activities surrounding the creation or expansion of a business. It is typically prepared in the form of an 8 1/2 by 11 inch booklet and is usually 10 - 30 pages in length. It should be professionally typed, and enclosed in a simple binder.

The plan describes the product or service, the customers, the competition, the production and marketing, the management, the financing and anything else which relates to the product or service that your business will provide. There will most likely be extensive supporting data to substantiate your plans. This information can be included in appendices, or in a supporting document.

A plan has a number of valuable properties:

- It is a good way to "get your own act together".
- It is a valuable technique for evaluating how good a business idea might really be.
- It is an important document to have when trying to raise capital.
- It can be surprisingly effective in getting favorable treatment from potential suppliers.
- It can be a valuable recruiting tool when hiring key employees.
- It can be used as an orientation document for those key employees who you want to help you "make it happen".

Handout #11

It is important that your business plan highlight the three most important aspects of your business:

- a) the ability of the owner to manage the business
- b) the specific market that is being filled
- c) what is needed to make the business viable, including human resource requirements, equipment and financing

The presentation of the business plan will influence a lender's decision. The plan must be well-organized and easy to read. You must be prepared to explain further, if necessary, all the information contained in the plan. And, whenever possible, you should use calculated figures, instead of words, to make your plan more convincing.

While all business plans will differ according to the needs of the individual business, plans should follow a general framework which is similar to the following components:

Cover Sheet

- Name of business
- Names of people involved with the business
- Address and telephone number of the business

Statement of Purpose

- Description of the business - product or service
- Organizational structure of the business
- Information regarding the amount of money being requested, how the funds will be used, and how the funds will be repaid.

Marketing Plan

- Explanation of the kind of business or industry
- Market size and trends
- Targeted customers (the best prospects)
- The geographic location in which you will concentrate your promotions
- The competitive strengths and weaknesses of the business
- Sales terms, credits, etc.
- The key factors impacting on success in the market

Operating Plan

- How the product or service will be developed or assembled
- Where supplies and materials will be purchased
- Selected location and general location requirements
- Building and equipment requirements and costs
- Employee and management plans including the management structure of the business
- Information on how the work will be carried out and/or how the product will be produced.

Financial Plan

- Current financial statements and future projections for one year including balance sheets and income statements
- Start-up and eventual expansion plans
- Essential equipment list
- Expected sources of funding
- List of securities that can be used to secure loans
- Cash flow forecasts for a twelve month period. This should include the cash that is currently being requested from lending institutions.
- Profit/loss forecasts - include a bottom line statement of what is required for the business to survive
- Sales forecasts based on an assessment of the market

Supporting Documents

- Owner's resume which should include training, experience, role in the business, credit background and a personal statement of net worth
- Resumes of any other employees involved in the business
- Job descriptions for all employees
- Credit reports
- Names of the lawyer and accountant consulted on the business
- Letters of reference
- Copies of any contracts or leases.

E.

RESEARCHING

Purpose

To promote the essential nature of researching five major aspects of the business idea:

- the idea
- the customer
- the current market trends
- the community
- the competition

Objectives

After completing this module, participants will be able to:

- Outline reasons for carrying out market research.
- List the five major aspects of a business which require research.
- List two methods of research that they could use to provide the information they need.
- List two organizations that they could use which would provide the information they need.
- Describe sources of risk in a business, by comparing their business concept to an ideal business.

DETERMINE THE MARKET

1. Research Your Idea

Entrepreneurs recognize that any company, regardless of its size, faces a few basic problems. A real need for its goods or services must exist. In other words, a market must exist for its output or the company has little hope for success. You must have a reason to believe that people need your product and will want it instead of the competition's items. To begin researching:

- Generate a number of new product/service ideas.
- Choose the product or service that best fits your strengths and desires.

The major pitfall to avoid is to become so enthusiastic for the idea that it prevents objectively evaluating the idea's potential. It is easy to fall into such a trap especially when your own idea is at stake.

- Is there a genuine need for the products?
- Is the need substantial enough to support a profitable business?
- Do competitors currently offer similar products? If "yes", does your idea offer distinctive advantages and customer benefits the competitors' don't?
- Is the product feasible to produce?
- Is the product legal?
- Is it safe?
- How is the product used?
- Are there alternative uses?
- Is the product a necessary or discretionary item?
- How many units is the customer likely to buy?
- How often will the customer buy?
- When will the customer buy (day of the week, time of day, season of year, etc.)?
- If the product is a service, does the customer need to be present when the service is provided?
- Where would the customer learn about the product (e.g. friends, business associates, TV advertising, yellow pages, etc.)?
- Can the product be expanded into a line of similar or compatible items later, if the original was successful?
- Can you protect the product with a patent or copyright?
- Does the product infringe upon anyone else's patents or copyrights?
- Are the needed raw materials and supplies readily available?

Adapted from: Martin, C.L., *Starting Your New Business: A Guide For The Entrepreneur*. Crisp Publications, Inc., California: 1988.

2. Research Your Customer

Important population characteristics or demographics of an area are critical information when researching.

- Who is the likely customer?
 - Where does she/he live?
 - What is his/her income?
 - What is his/her level of education?
- If the likely customers are other businesses
 - What is their size?
 - What is their normal, expected discounts?
 - Who are their customers?
 - Who normally makes the purchasing decision?
 - What are their purchasing procedures?
- How many potential customers are there?
- What are the customers' quality expectations?
- Are customers likely to perceive a purchase risk?
- What needs does the product satisfy (think carefully about this question)?
- Define your market area by determining the distance your customers would likely travel in order to take advantage of your product or service.
- Who *actually buys* the product (e.g. Mom, Purchasing agent, other)?
- Who *influences the decision* to buy? (e.g. kids, engineers, etc.)?
- When will they use it?
- Where will they use it?
- Why should the customer buy your product and not the competitor's?
- How much prior knowledge does the customer have about the product (i.e. is it truly a new innovation, or is it an improved version)?
- How much would the customer likely pay for the product?
- How often would they buy? In what quantities?
- How sensitive would she/he likely be to price changes?
- How should the item be packaged to attract the customer?

In summary, who are:

- all the people in your market area?
- the people who need your products?
- the people who are able to pay for it?
- the people who are willing and able to pay for it?

Adapted from: Martin, C.L., *Starting Your New Business: A Guide For Entrepreneur*. Crisp Publications, Inc., California: 1988.

3. Research Current Market Trends

While one change is an event, a series of changes which point in an obvious direction is considered a trend. To be able to understand and identify trends, you must have access to up-to-date market information.

Your research should help you answer the following questions:

- Has the demand for the product nearly peaked, or will it continue to grow in the future?
- What shifts or changes can be expected to affect the market for your product or service?

You can find information regarding trends in a number of places. Reading and following up articles in newspapers and trade and business magazines will help you stay on top of any major movements in the marketplace. For research on specific markets, you can approach the Alberta Economic Development and Trade or Statistics Canada. Libraries are also an excellent source of information: statistical, general, and technical. This kind of market research will help you to avoid starting a business for which there is no market demand.

The following provides information on trends, and the effects they can have on the marketplace.

KINDS OF CHANGES AND TRENDS

Trends

Demographic

- population
- family size
- labour participation rates
- age composition
- family formation rate

Lifestyle

- proportion of women in the workforce
 - emphasis on outdoor activities
 - emphasis on slimness, health, diets
 - desire for more individuality
-

Social

- the "singles" movement
- divorce rate
- marriage rate
- influence of the family

Cultural

- growing awareness of other cultures
 - change in status symbols
 - change in ethnic mix
-

Women's Career Resources
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Changes

Economic

- world oil prices*
- disposable income*
- interest rates*
- money supply*
- exchange rates*
- government fiscal policies*
- government monetary policies

Political

- wars
- pollution legislation
- privatization legislation
- anti-smoking legislation
- children's car seat legislation
- deregulation of airlines
- National Energy Program

Technological

- computer
- microprocessor
- bio-technology
- communication satellites
- VTR's

Environmental

- drought*
- erosion*
- earthquakes
- air and water pollution
- tornados
- A.I.D.S.*
- Herpes*

*Can also be considered a trend.

Handout #14

The following charts illustrate how changes or trends can stimulate the creation of many new products and services.

Social Demographic Change	Initial Reaction	Secondary and Tertiary Reactions	
lower marriage rates plus higher divorce rates	increased demand for goods and services oriented to single adults	adult apartments	pre-cooked packaged food products
		singles bars	housecleaning services
higher female labour participation rate	increased demand for labour and time saving goods and services	dating services	nursery schools
		packaging of food in smaller quantities	
		increase in no. and variety of fast food outlets	Club Med-type vacations
		increase in dining out	

Social Change	Initial Reaction	Secondary and Tertiary Reactions	
O.P.E.C. oil price increases	increased demand for alternative and cheaper energy	smaller, lighter cars	more oil exploration
		fuel efficient motors	research on heavy oil and tar sands extraction
	increased demand for energy efficient process and products	greater use of air and bus for longer trips	research on secondary and tertiary oil recovery processes
		wood stoves windmills nuclear fuel insulation fuel efficient homes	

Handout #14

Social Change	Initial Reaction	Secondary and Tertiary Reactions	
emphasis on youthful, healthy appearance	greater demand for products and services which enhance health and youthful appearance	weight lifting equipment diet foods diet plans diet and exercise books aerobic classes	health clubs suntanning salons sweat suits jogging footwear travel books
television	increased awareness of the cultures	hotels	travel books
jet airplanes	more, faster and cheaper air travel	travel agencies packaged ethnic foods	ethnic restaurants
mass produced cars	increased travel mobility and flexibility	motels suburbs highway construction service stations	drive in movies shopping centres

Handout #14

Social Change	Initial Reaction	Secondary and Tertiary Reactions	
micro-computer	increased ability to process data	software programs	computer-assisted design
		hardware and software stores	specialized computer businesses and facilities
		computer training	professional applications
		computer consultants	computer-assisted manufacturing
video tape player/recorder	increased demand for home viewing products	video cassettes	video rentals
		video stores	video production facilities
		video cameras	video hardware stores
		music videos	video listings of insurable items
			video taping of old 8mm home movies

Source: Unknown

4. Research Your Community

- How is the population changing in the area? Is it growing older? Are young people moving away? Are people getting married or being divorced?
- What kind of business is coming into the area? How many new jobs will be provided? Are employees skilled or unskilled? Will they be from the area or will they move in from different areas of the country?
- What kinds of businesses are leaving the area or failing? Is unemployment increasing? Is it already a problem?
- What businesses are needed because more women are working? What can you do for them that they will no longer have time for?
- What do people in the area like to do with their leisure time? What types of recreational areas do you have in the area? What hobbies seem to be popular in the area?
- What new technologies are being used? Are personal computers being used? Are the hospitals using new medical equipment?
- How does transportation help or hinder local business? How are the highways? Are there city buses with easy access to destinations? Is the area spread far apart and connected by highways?
- What is happening to change whole neighborhoods or major sections of the community? Do people shop downtown? Are there popular suburban malls? Is there a fast-food strip? Is new industry coming in? Is government housing going up?

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5. Research Your Competition

You will want to determine who your competition is and how strong it will be. If your business sells products or services which are similar to those of another company, your business will be competing for customers in the market area. You will be interested in obtaining and keeping a certain market share. **Market share** refers to your part, or share, of the people who will demand your products or services and buy from you instead of your competitor.

Information about your community can be obtained in part by observation. Start your research by using the yellow pages of the telephone directory to identify other businesses which are similar to yours, in your community. Use the yellow pages from other communities to identify other similar businesses. The telephone yellow pages will also be useful in locating potential suppliers and manufacturers for your product.

The local Chamber of Commerce, and the Board of Trade and Business Associations should also be valuable sources of information. These organizations will be able to provide you with information on businesses in the area, as well as local demographics. The federal government offices of Industry, Trade and Commerce and Alberta Department of Economic Development and Trade will have information about businesses in your region of the province. The business listings in local newspapers and in trade magazines should also be able to provide you with helpful information. As well, Statistics Canada is a good source for market research reports and information on various types of businesses.

In conducting this part of your research, you should focus on the following questions:

- What sort of products or services does your competition sell? Are they exactly like what you will sell, or different?
- What are the advantages and disadvantages of your product versus theirs?
- How are the competition's products priced?
- How is the quality of their products and services?
- What types of customers are attracted to your competition? Describe them carefully.
- Where is your competition located? Will they be more or less convenient to your proposed customers?
- How long has your competition been in business?
- How do competitors promote their products and services?
- Who are the suppliers of each competitor?
- How is each competitor positioned. In other words what mental image comes to mind when you think of your competition?
- What extra services do competitors offer (i.e. installation, delivery, samples, gift wrapping). Are there extra charges for these services?
- How do their physical facilities rate in terms of layout, decor, cleanliness, parking, convenience, etc.?
- Is there room for your new business?

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Exercise - Survey Says

Purpose

- to assess the validity of business concepts
- to demonstrate a market research technique

Time

- 30 minutes

Materials

- paper, pens

Now that you have researched and clearly developed a business concept, you should take it to the people.

Write a detailed description of your product, and develop five questions around it for which you would like information from other participants that would help you to determine the acceptability of your concept by the market. Design your questions so they can be answered with a "yes" or "no". Pass the product statement and the questions to the group leader, who will conduct an informal and anonymous "market survey" on your behalf, by asking the rest of the group members for a show of hands.

Obtaining information in this non-threatening environment will quickly give you an understanding of the validity of your idea, and demonstrate the necessity of market research. In what other ways can you get information from the market about your product? You might: take your product door-to-door in a specific neighborhood to survey the neighborhood; invite a friend or several friends for coffee to brainstorm ideas, and evaluate suggestions; ask a supportive person to assist you in evaluating the pros and cons of your concept, and work together for a solution.

THE IDEAL BUSINESS

To assess the degree of risk involved in your business, compare your business concept with the mythical, impossible "ideal" business characteristics as presented below. Remember, even if you decide that your business concept is not valid, then you will have put your market research to good use!

The "Ideal Business":

1. Requires no investment, therefore there is no risk. Always look at the risk involved in investing in a business.
2. Has a recognized market for the product or service being sold.
3. Has customers who perceive a need for the product or service, they do not have to be persuaded to buy. Persuading customers that they need your product/service is time consuming and expensive.
4. Has an assured supply of resources.
5. Has a minimum of government regulation.
6. Has no labour, labour is an uncertainty.
7. Has a large gross margin (a large return or profit).
8. Has customers who purchase the product or service frequently.
9. Has a favorable tax treatment.
10. Has a good distribution system.
11. Has a great news value (people want to read about it).
12. Does not provide credit to customers.
13. Has no product liability.
14. Has no technical obsolescence within the year, and over time.
15. Has no competition.
16. Does not rely on fashion.
17. Has a product with an indefinite shelf-life.
18. Has revenues which do not depend on the weather.

The closer your business comes to the characteristics of the "ideal" business, the more likely it will be to succeed.

Adapted from: Buskirk, Dr. R.H., and Davis, M. *The Entrepreneurs Audio Handbook*. St. Martin's Press, New York: 1987.

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F.

MARKETING

Purpose

To define marketing and discuss the topics which are the components of marketing strategies.

Objectives

After completing this module participants will be able to:

- Define target market, and begin to provide a definition of the target market of the business they are considering.
- Outline services which are often provided as part of a product.
- List factors which effect the pricing of a product.
- Determine the business image they might want, to present, and list components of a business image.
- List various advertising options.
- Outline the concept of networking.
- Consider product distribution.

I. Determine Your Marketing Strategy

Marketing activities enhance the process of exchanging products and services for money. The market research that you have undertaken will provide information on which you can base decisions about the marketing activities you will implement.

The six areas in which decisions will need to be made are business image, target market, product, pricing, advertising, and distribution.

1. Business Image:

Business image is the visual "picture" that people have when they think about your product/service or business, and the words they use to describe the picture. The product that you produce, the service you provide, even the voice tone that you or your employees use with customers, will all become part of your business image. It is important to provide a match between the image you want to sell and the image you actually sell.

Exercise - Business Image

<div>Purpose - to visually demonstrate business image.</div>	<div>Time - 10 minutes</div>	<div>Materials - found items: objects from the home or office from which participants could infer an image of the company that provided the items, such as shopping bags with logos, a jewellery case, handwritten tags from a craft item, etc.</div>
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Display a "found item" that you have brought and ask participants what words they would use to describe the images that they associate with the item and the people who would be interested in purchasing it. i.e. for a velvet jewellery case - easy to wrap, luxury item, useful, practical, conservative, gives a compliment.

- Ask - What business image will you want to project?
- Where will your business image will be evident? i.e. clothing, uniforms, business cards, stationery, telephone manner, word of mouth, product quality, fairs or conferences, smiles, your handshake and introduction etc.

RURAL WOMEN AS BUSINESS ENTREPRENEURS

EVALUATION - Second Day

Your comments on this form are entirely confidential and are intended only to help us make necessary modifications to this workshop. Thank you for your input.

1. What were your expectations of this workshop today?

2. Which expectations were met and in what way? _____

3. Please comment on the following:

a) I really liked: _____

b) May I suggest: _____

c) I'd like to hear more about: _____

4. Comments on workshop leader(s): _____

5. Other comments please: _____

Tomorrow we will discuss the following topics - if you have a need for specific information, please let us know so we can try to include it.

Determining Your Marketing Strategy: _____

The Operating Plan: _____

The Financial Plan: _____

The Written Business Plan: _____

Obtaining Financial for a Small Business and Preparing For The Loan
Interview: _____

Legal Concerns and Advice: _____

Action: Putting It All Together: _____

DAY 3

2. Target Market:

Your customer, community and competition research will be the backbone of your target market definition. Do you have one group of potential customers who have distinct similarities, or more than one set of customers with similarities? Define each group as accurately and descriptively as possible. A separate marketing program may be necessary for each group of customers, so select a target market (or a few) which is large enough to be worthwhile servicing, and who can be better served by your product than by the competition's product. Remember: you cannot be all things to all people.

- Who will be your first customer?
- Who will be your marketer, in other words, who will make this happen?

Exercise - Target Market:

Purpose - to personalize the target market concepts	Time - 5 minutes	Materials - none
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Ask participants to turn to a partner and clearly describe their target market, obtaining feedback from the partner to improve the clarity of the definition of the target market.

3. Product:

Businesses seldom sell just a product. Various services such as warranty, installation, service, etc. will be necessary to supporting the product. Service businesses seldom market a actual product at all, their product is usually their combination of services. Think about the package of support services that will need to be a part of the product you offer to your customer.

Next think about what customer needs will be satisfied by the business? Needs may be broadly categorized as primary (e.g. need for food, water, warmth, etc.) or secondary (e.g. need for status, achievement, social affiliation, knowledge, etc.). Properly engineered and positioned, most products are capable of satisfying several needs simultaneously.

4. Pricing

In the long term, your prices must more than cover your costs of doing business, so it is important to accurately determine all of the costs of doing business.

When determining the pricing of your products or services, consider also:

- What other costs does your client incur in order to obtain your product, i.e. long distance telephone charges, parking, etc. What about time, inconvenience, etc.?
- What is your competition's price?
- What is your customer's perception of a fair price?
- What is the positioning of your product? Will you need to price it low to gain a market share, or is it an exclusive and thus expensive product?
- Will credit be extended to customers? Over what period?
- Will discounts be offered for early payment or quantity purchases?
- Will your business accept cheques, credit cards, or bartering?

5. Advertising

Advertising is the way to reach your market. The image you want to create for your business, will be portrayed through your advertising. Your advertising strategy should be an important consideration in developing your marketing plan.

Advertising budgets usually run between two and four percent of gross yearly sales. It is a good idea however, to check trade magazines to determine what other businesses in your field are spending on advertising.

Your advertising strategy plays a key role in marketing your business. Some of your promotional considerations come well before your business has even opened. Here are a few general suggestions on promoting your business:

- a) Know your customer. If you have a specialized product, you should be aiming your advertising at your target market.
- b) Be sure to choose a catchy name for your business. Be careful though - the name should also describe your business to potential customers.
- c) Think about non-traditional ways of advertising. Hold, or sponsor, a community event, a dance, or a show. Let the local newspeople know about it through a press release. This kind of advertising is effective and can be considerably less expensive than print or media.

No matter what kind of advertising you choose, there are a few guidelines which should be followed.

- a) Be brief, but design the message to attract attention.
- b) Provide reasons why people should buy your product or service.
- c) Keep the language used in your advertising simple.
- d) End your advertising with the name, address and phone number of your business.

Exercise - Advertising Options

Purpose
- to expand knowledge of advertising options.

Time
- 15 minutes

Materials
- flip chart paper
- felt markers

Gather into small groups and brainstorm all the relatively inexpensive advertising options your group can think of (i.e. sponsoring a little league team, printing logos on caps, trade shows, etc). Have one participant from each group report the results of the brainstorming to the large group.

Exercise - Designing Advertising

Purpose
- to determine and outline a marketing strategy.

Time
- 20 minutes

Materials
- "found objects"

Provide each group of four or five participants with a "found object", an object which you have found in your office or home which has little apparent value such as an old bottle, unusual costume jewelry, an inexpensive mug, one running shoe, etc.

Ask each group to determine the target market for this product and to list the advantages and the uses of their object. They will then make a short presentation to the large group about their product. Obviously, the crazier the "found objects" they are given, the more fun they will have with this exercise.

ADVERTISING OPTIONS

The following information provides you with some suggestions on the types of advertising you might choose for your business:

A. Print

Business Cards and Stationery

- have an inexpensive, free-lance artist design and draw a logo for you
- one-colour printing on business cards is the least expensive, and can be quite effective
- it is best to have dark, easy-to-read lettering on a light background

Telephone Directory Yellow pages

- this is a very important place to advertise your business
- there is a very high contact rate for services, such as rentals, repairs and printing, through yellow pages advertising

Newspaper Classifieds

- this type of advertising is inexpensive, but not very effective unless placed very regularly

Magazine Advertising

- this type of advertising can be expensive. It is most successful when placed in those trade and business magazines which are most relevant to your business

Flyers, Leaflets and Posters

- these are the most inexpensive forms of print advertising
- they can be distributed in all kinds of locations - libraries, universities, colleges, other businesses, or through mail drops

Advertising Suggestions

- ads should be clear and uncluttered
- use an unusual border or lettering so that your ad will stand out
- use an unusual size or shape of ad for the same reason
- place your ad at the top of the page so that it will be noticed
- keep your message brief
- provide reasons for people to buy your product or service
- keep the language simple
- end your advertising with the name, address, and phone number of your business

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B. Electronic Media

Radio and Television

- this is the most expensive type of media advertising
- a series of commercials, broadcast several times, is required to have any impact or success

C. Other Types of Promotions

Display Windows

- this is a customer's first contact with a retail business
- create a one-theme window that is different, exciting and unusual
- change your displays often
- try live models, or power driven figures to display your wares

Outdoor Signs

- these must be designed to be easily read by passing motorists
- they must be produced with durable colours and legible lettering

NETWORKING

Networking is a type of promotion that can be very effective for your business. Learning to make professional contacts will ultimately provide you with many sources of useful information and support. Presenting yourself in a professional manner is an important part of networking, and of your business image.

1. Join and participate regularly in community organizations and professional, trade and technical associations. Volunteer for a committee position or run for office. Attend, and eventually make presentations at local, provincial and national conferences.

Become active at local and national levels. The professionals that you will meet at these organizations are all doing what you do. They will share the same interests and face the same problems. You will not only generate some business, but more importantly, you'll keep abreast of the latest developments in the field and feel like you are contributing to your profession."

2. Read and Listen. Specialty publications now number in the thousands and serve needs in almost every area of interest. Newsletters, professional and trade journals and magazines spur creative ideas and keep you aware of what's happening. Audio cassette tapes are now available from many sources on almost any subject. You can even subscribe to a tape library program. Workshops and conferences frequently come in tape format too. If your work involves some driving of a vehicle, listening to these kinds of tapes is a great way to make good use of your time.
3. Attend workshops, seminars and courses offered by those in your field, or explore new and related fields. Once you have attended a few of these programs, your name will be on mailing lists for many other programs and you'll receive announcements of the workshops in your area of interest. Begin by contacting the continuing education department at your local college or university. Also contact your professional, technical, or trade association for workshops they may be sponsoring. Look through specialty trade newsletters and magazines for workshops advertised in your area of interest.
4. Use the telephone. Stay in touch with the people you know. Call to say "hello", to get an opinion or reaction, or just to share some news. People are flattered when you think of them, and they enjoy being consulted. Use phone contact to discover what others are doing, and when or where you might get together.

Call or write the interesting people you hear or read about. If you want contact with them, ask how you can get involved in what they are doing. We have met several of our most valued colleagues because they took the time to call us after reading about something we had

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done. We have met other important colleagues because we called when we read about them.

5. Use your computer. If you don't have a computer, the ability it gives you to keep in touch with others may be a reason for getting one. The personal computer is a wonderful way to meet interesting people all over the country. Two outgrowths of this new technology, local bulletin boards and information services, can put you in touch with people almost any time of the day or night.
6. Schedule breakfast, lunch, or dinner meetings with peers. Even though this may mean breaking up your work day, set a goal to meet regularly with peers you want to stay in touch with. These business meetings might be tax deductible, but to personalize the meal and save money, you may want to host your colleagues at home.
7. Invite others to visit your home/office and arrange to visit their offices. You can invite colleagues over to see a new piece of equipment, to sit in on some work, or to talk over a new idea.

Networking: How To Make Contact With People You Don't Know

Establishing relationships, meeting people in a crowd, approaching business contacts you've never met before - these are all important skills for people working on their own.

Networking is a process by which you can quickly and easily make contact with people you don't know. It involves more than the customary "Hello-how are you?" handshake and exchange of business cards. Whether you're meeting people at a cocktail party or through a computer terminal, networking involves making contact with them in way that enable you to assist each other in achieving your goals.

Here are several tips for becoming a master networker.

First, *step into the role of host*. Successful networkers approach life as a "host" instead of a "guest". Guests wait to be introduced. They feel ill at ease until someone makes them feel welcome. Hosts, on the other hand, assume responsibility for making sure everyone knows who everyone else is and for helping people feel welcome and at ease.

Second, *tell everyone you meet who you are, what you are doing, and what you want to do*. You never know who your next client might be, so treat everyone as a prospective client. Likewise, you never know who might be a future resource, friend or colleague.

Third, *make yourself, and what you are seeking, clear*. Too frequently people introduce themselves like this:

"Hello, I'm Ralph Carnes. I'm the senior technical writer for Microproductions."

After hearing this kind of introduction, do you know enough about what Ralph does to engage in a conversation? Do you have any idea how you might be able to work with him? It's easy to spend a whole evening introducing yourself by occupational title and wondering why you aren't making any valuable contacts.

But what if Ralph introduced himself this way.

"Hello, I'm Ralph Carnes. I work for MicroProductions, writing instructions for how to use the business software they produce for personal computers. Instead of driving to the company every day, I've just started working from my home. I enjoy it but I'm hoping to meet other people around this area who are interested in computers.

This type of introduction helps people know whether you share common interests and whether you can be of help to each other. Introducing yourself this way is a matter of putting together two needs; what people should know to understand what you do, and what contacts you want to make.

Fourth, *be interested in other people*. The more you listen to what others are saying, and ask questions about their lives and their work, the better you will know how you could be valuable contacts for each other.

Fifth, *offer to give people the very thing you want*. If you're looking for someone to help with your office overload on occasion, offer to provide backup for them. If you're seeking someone to share a booth at a convention with you, offer to share one with those you meet.

Finally, *plan a follow-up meeting with people you became acquainted with*. When you discover others who share your interests, exchange business cards. Write notes on the back of their cards about where you met and your joint interests. Don't wait for them to call you. Make follow-up calls yourself and propose getting together in person to find out more about what they do.

6. Distribution

Distribution involves the activities that move your product from your business to the consumer.

- **Choose the right location. This is particularly important for retail and service businesses.**
- **Will you distribute your product directly or go through one or more "middlemen"?**
- **How will your product be shipped? What are the costs incurred for shipping by various methods and the packaging required to protect it?**

G.

OPERATING

Purpose

To outline concepts involved in the operating plan.

Objectives

After completing this module, participants will be able to:

- Consider variables involved in choosing a business location.
- Contact appropriate organizations with regard to business licenses and permits.
- Consider variables involved in staffing a business.
- Consider variables involved in producing a product or service.
- List organizations which provide assistance in the development of small businesses.

I. THE OPERATING PLAN

The operating plan is a section of the business plan that explains how the business will be run. It includes a description of the physical location of the business, the human resource allocations and management, as well as an explanation of how the product or service will be produced and/or distributed. Because production plans are specific to each business idea, they will not be covered in this workshop.

1. Location

a) The general neighborhood

Choosing the right location for your business is extremely important and may contribute, in a direct way, to the eventual success or failure of the operation. When scouting for a location, be sure to take the time to consider all the factors which may impact on your business. For example:

- For retail and service industries, the right location is of paramount importance. Decisions on where to locate a retail business should not be made on the basis of low rental rates. By doing so, you may inadvertently be increasing your advertising, promotion, and renovation costs.
- When locating a manufacturing business, you will lower your costs by choosing a site close to the raw materials you will need.
- Operators of a large scale production plant must be aware of any pollution regulations existing at the proposed plant site.

Ask the following questions when investigating possible locations for your business:

- Has the population in the area been increasing?
- Has there been a steady population increase, or does the population fluctuate with the seasons?
- What is the current level of business activity?
- Are there new and interesting businesses opening in the area?
- What are the major sources of business activity? e.g.. farming, government, industrial, etc.?
- Are there any physical features in the area that might favour or hinder business?
- How many businesses similar to yours are already located in the area?
- What share of the market do the businesses similar to yours already control?

Alberta Economic Development and Trade can provide you with information on business activities in the area under your consideration. A municipal planning officer, and a real estate broker, can also provide you with information on development trends. The local Chamber of Commerce will give you general information about business in the area, and might also be able to discuss your chances of starting a successful business in the area.

b) The specific building

When choosing a specific building, keep the following points in mind:

- Check the surrounding neighborhood to ensure there is nearby vehicle traffic and available parking.
- Locate close to apartments, schools, recreation centres, hotels, theatres or other high traffic areas when appropriate.
- Spend some time at the location to check the pedestrian traffic, if walk-in customers are important to your business. It is a good idea to do this at different times of the day and week.
- Talk to other business owners in the area to find out if they are happy with the area, and if they have had any problems.

2. Approvals and Licenses

There are a number of bylaws, registrations, regulations, licenses and permits that will need to be investigated, adhered to or acquired during the establishment of your business.

- Check the zoning bylaws of the town, city, county or municipal district office that govern the area where you plan to locate your business.
- Register your business name. This is required if you will be operating your business under a name other than your own. Contact Alberta Attorney General. Corporations are registered with Alberta Consumer and Corporate Affairs.
- The nature of your business will determine other business licenses and permits to acquire and regulations to adhere to. Be certain to contact:
 - Alberta Consumer and Corporate Affairs, Licensing Division, about requirements for a Provincial Business License.
 - Revenue Canada Taxation, about requirements for a Manufacturer's Sales Tax License, and a Manufacturer's Excise Tax License.

It may also be necessary to contact:

County or City Health Unit
Fire Marshall's Office
Liquor Control Board
Ministry/Department of Revenue (Federal and Provincial)
Ministry/Department of Health (Federal and Provincial)
Ministry/Department of Consumer and Corporate Affairs (Federal and Provincial)
Ministry/Department of Natural Resources (Federal and Provincial)
Ministry/Department of Travel
Ministry/Department of Transportation and Utilities (Federal and Provincial)
Ministry/Department of the Environment (Federal and Provincial)
Ministry/Department of Labour (Federal and Provincial)

Lists of addresses are available as handouts in the last section of this manual.

Call the Business Hotline, Alberta Consumer and Corporate Affairs 1-800-272-9675 for assistance in determining licensing/permit requirements.

In Edmonton, you can also call the Business Line, Alberta Economic Development and Trade, at 422-9494, for information on licenses and permits. Long distance calls can be placed through the Alberta government Rite Line.

3. Human Resource Management

a) Planning Your Staffing Needs

Chances are good that a new business will be run and operated by the owner. However, as time goes by, and the business starts to expand, it may become necessary to hire staff. Effective human resource management means planning ahead for those times. It is important to think about your future staff requirements, where you will recruit your staff, how you will train them, and the type of management and supervision you will provide them. There are publications available through Alberta Career Development and Employment that can assist you in developing your plans.

Human resource planning takes time, and involves asking yourself many questions regarding your future staff needs. The following questions should give you some idea of the issues that you will have to consider when increasing your staff:

- How many employees will you need?
- What skills will your employees require?
- What will be included in each job description?
- What employee management policies will you establish? e.g.. sick leave, vacations.
- What are the current wage and salary rates in businesses similar to yours?
- What benefits will you offer?
- What type of management and supervisory styles will you adopt?
- What kind of reporting structure will you develop?
- Where will you recruit your staff? What means will you use to locate the right people?
- Are you willing to train, or will you be seeking fully trained staff?
- What kind, if any, of contract will you be using? How will it protect you? How will it protect your employee?
- Will your staff be handling cash? Do they have to be bondable?
- What kind of communication system will you put in place?
- How will you evaluate your employees' job performances?
- What techniques will you use to motivate your staff?
- What kinds of promotional and career development opportunities will be available to your staff?

Adapted from: Jennings, William E., *Entrepreneurship: A Primer for Canadians*. Canadian Foundation for Economic Education, Toronto: 1985.

As an employer, you should also be aware of the regulations and responsibilities that will affect you and your employees. Some of these are as follows:

- All businesses employing five or more people must form an "employer group" and deduct medicare premiums from payrolls. Contact Alberta Health Care Insurance for more information.
- An employer must deduct unemployment insurance premiums, Canada Pension Plan and Personal Income Tax from each employee's wages. These deductions, as well as the employer's share of these costs, must be submitted to Revenue Canada on a monthly basis.
- As an employer, you must obey all laws regulating employment under the Labour Standards Act. These include such issues as minimum wage rates, vacation pay, hours of work and maternity leave regulations. As well, you are bound by Human Rights Legislation pertaining to employment. For more information on these two areas contact the Alberta Labour Standards Branch of Alberta Labour, and the Alberta Human Rights Commission.
- As the owner of the company, you will probably have become accustomed to carrying out all the activities related to your business. When you decide to take on additional staff, it is probably because your business has expanded to the point where you can no longer carry out the work on your own. While it can be difficult to delegate tasks that you know you can perform well yourself, remember that you hired your staff because you felt they could handle the job. Treating your staff with respect, and letting them know that you have confidence in their abilities, will go a long way in reducing staff turnover.
- Establish, from the beginning, the kind of relationship you want to develop with your staff. Do you want them to consider you a co-worker, or would you like to maintain more distance and prefer to be seen as "the boss"? By clearly defining your role from the start, you can avoid problems in the future.
- When training your employees, make sure you are being clear, and try to be patient and encouraging. Don't attempt to give too much information at one time. If there is written material available on a piece of equipment, provide it to the appropriate employees. Allow employees time to practice and master the new skills they are learning. Let your employees know when they are doing a good job.
- If you have six or more staff members, it is a good idea to hold regular staff meetings. Staff meetings can be a good place to share new information and to deal with any general concerns which are relevant to the business. Be careful, however, that these meetings do not degenerate into complaining sessions.

- If it is necessary to criticize an employee, do so in private. Outline steps that the employee can take to improve his/her performance. Set up some guidelines, and develop a monitoring system that will allow you to determine if the employee's performance has improved. If it becomes necessary to fire the employee, prepare what you are going to say and meet with that individual in private. Ensure that your decision to fire does not contravene any labour laws. Have the employee's last cheque prepared so you can give it to her/him at the time of firing.

b) Determining your Management Philosophy

Before becoming an employer, it is important to think about the kind of management style with which you are comfortable. It can be helpful to read some books which describe the various styles of management and the pros and cons of each one.

In doing some research, you will probably find that theories of personnel management and organization have seen a significant shift over the last ten years. In the past, many companies were managed on a hierarchical basis, with those at the top making most of the decisions and receiving most of the benefits. In recent years, organizations have begun to reject this management philosophy, and have started to implement more of a "team" structure where the manager takes on the role of mentor or teacher. The personal growth of each employee, and each individual's contribution to the organization as a whole, becomes increasingly important. This change in management styles reflects the growing belief that employee turnover will decrease in companies that show a genuine concern for the individual's well-being.

As a result, companies are becoming more involved in employee health and fitness, education and other aspects of personal life. There is a growing awareness of the balance that must exist between an individual's work, family and personal life. As a new business owner, it is important to be aware of these kinds of concerns, and to incorporate them into your management philosophy.

As women, you are also aware of the difficulties that many women face when approaching the labour market. Your management philosophy should reflect this awareness and include measures which are designed to break down some of the barriers that women face. Be sure that your hiring practices do not perpetuate the inequalities that already exist. Consider the skills that older women, and long-term homemakers have acquired before deciding to reject their qualifications. Hire to break stereotypes - give older workers, and those who have handicaps - an equal chance. Experiment with flexible time-schedules, and the possibilities of using both full-time and part-time employees. By being aware of barriers, and trying to break them down, you can create a better workplace for yourself and your employees.

4. Production Decisions

Every business is different and will require a unique approach to the production of the product or service that your business will provide. The following questions are some of the initial ones for which you will need answers:

- Will products be manufactured or purchased? Manufacturing products yourself will not always save you money.
- What is your desired level of capacity? This decision will affect the amount of space required, the number of employees, the amount and quality of equipment required, as well as the hours of operation.
- What raw materials are required and how readily are they available?
- What are the steps involved in the production process? How many employees are required and at what level of skill? How readily available are employees with these skills, and at what cost? Could the work be subcontracted?
- How much space is required for production and support functions: inventory, storage, washrooms, lunch areas, offices, etc? Can you expand in the future?
- Have you sourced your raw materials and supplies through several different vendors, with regard to quality, surety of supply, credit terms available, reputation of the company, knowledge of the sales staff, warranty, quantity discounts, etc.
- Have you considered your minimum and maximum inventory requirements, recognizing the financing costs, insurance, storage and obsolescence costs of excessive inventories? Also consider the possible problems of insufficient inventories.

5. Getting Expert Advice

When developing your operating plan, you may find that you could use the advice of experts in a variety of fields. There are many different specialists whose skills can help you start-up and run a new business. The following guidelines can assist you in seeking advice from outside sources.

- One of the best ways to find reliable advisors is through the recommendations of trusted friends.
- Sometimes the cheapest advice is not the best advice. Mid to high priced consultants may have already developed a good reputation, and could be worth the extra expense.
- Any consultant, no matter what area she/he specializes in, should be able to provide you with information that is straightforward, and easy to understand. Never leave the office without having any complicated material or terms explained to you.
- Your main advisors are likely to be your lawyer and your accountant. It is a good idea to meet with at least three people representing each occupational area before you choose the individual who is right for you and your business.
- Your accountant will be one of your most important sources of information. Before selecting an accountant, be sure to check his/her qualifications. Your accountant should be able to help you prepare your business plan, prepare your balance statements, set up a bookkeeping system, and carry out your tax planning.
- Other experts you may find helpful are loans officers, market researchers, advertising executives and professional insurance agents, as well as small business advisors from Alberta Economic Development and Trade.
- For general business advice you can contact the consultants with Counselling Assistance to Small Enterprises program (CASE) which is run through the Federal Business Development Bank (FBDB). There are branches of the FBDB in many rural areas throughout Alberta. If there is not one in your area, contact the branch in the city closest to you. CASE is staffed by retired business experts who can help you with your business related problems and provide you with management advice. There is an hourly fee for services. Check with CASE for current rates.

Handout #20 "Resources to Help You" provides further information on services available to small business owners in Alberta.

RESOURCES TO HELP YOU

Starting your own business may seem a bit frightening at first, so it is good to know that there is help available. There is a wealth of resources in the community which can be used to assist you in achieving your goals. Government agencies have developed programs designed to provide information, advice, and financial support. Many educational institutions offer courses which assist new entrepreneurs in developing their business plans. And help and support can often be found close to home. Always remember that your family and friends can be a good source of emotional support, and perhaps even financial backing.

To ensure you are aware of the resources available to you, take the following steps:

Check with local post-secondary institutions (colleges, universities, technical institutes) for credit and general interest courses on business-related topics.

Watch the business section of your newspaper for announcements of relevant seminars put on by private companies and individuals.

Ask for copies of information booklets on operating a small business at libraries, banks and business resource centres. Small business development centres can also provide you with material of this nature.

The following government agencies offer assistance to people starting their own business.

Centres for Entrepreneurship

Alberta Career Development and Employment has established centres for entrepreneurship in Alberta. These are located at Southern Alberta Institute of Technology in Calgary, Lethbridge Community College, and Keyano College in Fort McMurray.

These centres offer a 12 to 14 week training program to people that are unemployed but have useful skills, and who would like to utilize them in a small business. The course emphasizes a hands-on, practical approach which results in the development of a complete business plan for a potential business venture.

The Centres for Entrepreneurship draw on local business people to act as advisors, to provide practical guidance and assistance, and to serve as role models and mentors for the participants. Extensive libraries are available to the students and to all small business operators.

For information regarding the Centres for Entrepreneurship, phone the Career Information Hotline at Zenith 22140. (422-4266 in Edmonton).

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and Employment

YMCA Enterprise Centre

The YMCA Enterprise Centre, at the Edmonton YMCA, provides assistance to people under the age of 40 who want to start a business. This is a business incubation centre for the early stages of setting up and operating a business, offering support services, training, counselling and advice. For information, call 429-2027.

New Venture Development Group

The New Venture Development Group at the University of Calgary is a good resource for those who have an idea for a business and would like help in developing it. Students in the Masters of Business Administration program can assist in areas such as feasibility studies, product research and financial planning. It is also possible to take advantage of their legal assistance clinic where graduated law students provide information on the legal aspects of starting a business.

The New Venture Development Group is funded by Alberta Career Development and Employment, Alberta Economic Development and Trade, and Alberta Advanced Education.

For more information, contact:

New Venture Development Group
Room 443, Scurfield Hall
University of Calgary
2500 University Drive NW
Calgary, Alberta
T2N 1N4
Telephone: 220-6117

Alberta Economic Development and Trade

The Small Business Division of Alberta Economic Development and Trade has a handbook entitled "Starting A Small Business" which contains information on business licences and permits, taxes, and other information useful when starting a new business. Other publications that are available free of charge include:

"Financing a Small Business",
"Marketing for a Small Business",
"Selecting a Small Business Computer System",
"Bookkeeping for a Small Business",
"Small Business Tips".

Consultants with the Small Business Division also provide counselling services to potential small business owners. There are offices throughout the province. Call 427-3685 for more information. Call The Business Line, 422-9494, for information on current government funding programs and general information to small business including obtaining licenses and permits.

Alberta Economic Development and Trade also offers financial assistance in the form of loans, investments and grants. The following can be contacted for further information.

Alberta Opportunity Company (AOC) 427-2140 (financing)

Small Business Equity Corporation Program 422-5025 (financing)

Small Business Term Assistance Plan 422-7255 (advice)

Funding is also provided to communities to set up small business incubators which will provide assistance to new businesses in the form of rent subsidies, administrative counselling, clerical help, and management training. Check with the Small Business Division to find out if there is an incubator in your area.

Federal Business Development Bank

The Federal Business Development Bank (FBDB) provides a service known as CASE, (Counselling Assistance for Small Enterprises). CASE utilizes the knowledge, experience and expertise of successful, retired business people to deliver counselling to prospective small business owners. There is also a Business Information Centre (BIC) which provides information on various government programs related to business. BIC can be reached in Edmonton at 420-2952, or throughout the province (toll-free) by calling 1-800-661-3977.

The FBDB has published a series of four booklets entitled Minding Your Own Business as well as a "Do It Yourself Kit" comprised of five booklets which include information on arranging financing, credit and collection tips, forecasting and cashflow budgeting, analyzing financial statements, and evaluating the purchase price of a small business.

The FBDB also sponsors numerous seminars, including one on the topic of "Women in Business". The FBDB can be contacted regarding the availability of federal loans. The FBDB has offices in Edmonton, Calgary, Red Deer, Lethbridge and Grande Prairie.

Royal Bank of Canada

A series of more than fifteen guidebooks *Your Business Matters: A Guide for Independent Business* is available through the Royal Bank at no charge. Contact your local branch.

Canadian Rural Transition Program

The federal government sponsors the Federal Rural Transition Program to help those people who have to quit farming for financial reasons. Under this program, individuals can become eligible for financial assistance to set up a business, or to provide wage reimbursements. The program also offers job counselling and training assistance.

Handout #20

The program is run as a cooperative venture between Agriculture Canada and the Canada Employment Centres. Applications can be made through the nearest Canada Employment Centre.

Sewing for Profit

Farm women may be interested in the "Sewing for Profit" program organized through Agriculture Canada's district home economists. For more information, contact:

Agriculture Canada
Home Economics Department
J.D. O'Donoghue Building
#200, 7000-113 Street
Edmonton, Alberta
T6H 5T6
Telephone: 427-2412

Business Resources for Natives

Native women can approach the following business and employment development sources for funding and assistance:

ABORIGINAL BUSINESS DEVELOPMENT PROGRAM
Industry, Science and Technology Canada
Room 545, Canada Place
9700 Jasper Avenue
Edmonton, AB
T5J 4C3
Telephone: 495-2954

ABORIGINAL RESOURCE DEVELOPMENT GROUP
16812A - 114 Avenue
Edmonton, AB
T5M 3S2
Telephone: 451-2965

ALBERTA INDIAN AGRICULTURAL DEVELOPMENT CORPORATION
#309, 5940 MacLeod Trail South
Calgary, AB
T2M 2G4
Telephone: 253-1773

ALBERTA INDIAN INVESTMENT CORPORATION
#305, 10621 - 100 Avenue
Edmonton, AB
T5J 0B1
Telephone: 428-6731

APEETOGOSAN (METIS) DEVELOPMENT INC.
Suite 304, 11808 St. Albert Trail
Edmonton, AB
T5L 4G4
Telephone: 452-7951

ATHABASCA NATIVE DEVELOPMENT CORPORATION
#209, 9714 Main Street
Fort McMurray, AB
T9H 1T6
Telephone: 791-6541

ATHABASCA TRIBAL CORPORATION
#212, 9714 Main Street
Fort McMurray, AB
T9H 1T6
Telephone: 791-6538

BUSINESS ASSISTANCE FOR NATIVE ALBERTANS CORPORATION
Suite 200, 11738 Kingsway Avenue
Edmonton, AB
T5G 0X5
Telephone: 451-6700

CANADIAN EXECUTIVE SERVICE ORGANIZATION
1724 Royal Trust Tower
Edmonton Centre
Edmonton, AB
T5J 2Z2
Telephone: 421-4740

INDIAN AGRI-BUSINESS CORPORATION
Suite 309, 5940 MacLeod Trail South
Calgary, AB
T2M 2G4
Telephone: 258-3300

NATIVE ECONOMIC DEVELOPERS ASSOCIATION
Deerfoot 17, Suite 200
2710 - 17th Avenue SE,
Calgary, AB
T2A 0P6
Telephone: 248-7973

NATIVE VENTURE CAPITAL CO. LTD.
202 - 11738 Kingsway Avenue
Edmonton, AB
T5G 0X5
Telephone: 453-3911

**NORTH CENTRAL ABORIGINAL ECONOMIC DEVELOPMENT
ASSOCIATION**

Box 1787
Slave Lake, AB
T0G 2A0
Telephone: 849-4654

PEACE HILLS TRUST CO.

10th Floor, Kensington Place
10011 - 109 Street
Edmonton, AB
T5J 3S8
Telephone: 421-1606

SETTLEMENT SOONIYAW CORPORATION

2nd Floor
11104 - 107 Avenue
Edmonton, AB
T5H 0X8
Telephone: 426-5312

Exercise - Developing A Resource Network

Purpose

- to identify informal community resources, and further develop a network in the community.

Time

- 20 minutes.

Materials

- paper, pens
- masking tape

Explain that since we have a cluster of women who because of their interest in this workshop have similar interests and personal characteristics, it is appropriate to begin networking here.

In this exercise we will create our own "classified ad" bulletin board. Ask each participant to think about the skills and areas of expertise that she would be willing to sell or barter with another participant. Have each participant write those "saleable" areas on a piece of paper, titled "For Sale or Rent" along with her name and phone number.

Also ask each participant to determine an area with which she needs assistance in developing her business, for which she would be willing to buy or barter. Have each participant write these "need assistance" areas on a piece of paper, titled "Help Wanted", along with their name and phone number.

The group leader will collect the papers and post them in two categories, "For Sale or Rent", and "Help Wanted". During a break participants can note the areas which interest them, so that they can make contacts, or suggest someone outside the group who could be contacted.

H.

FINANCIAL

Purpose

To examine the financial component of the business plan and to identify the most important financial concerns of starting a small business.

Objectives:

After completing this module participants will be able to:

- Discuss the need for a financial plan.
- Recognize basic accounting concepts.
- Describe a simple, preliminary, record keeping system.

THE FINANCIAL PLAN

1. Basic Planning Concepts

Competence in financial planning and management is critical to the success of your business.

Planning will tell you how much money you will need, when you will need it and when you will have surpluses to manage. Prospective creditors will gain confidence in your ability to repay your debts when they see your planning on paper.

The following are some of the key accounting concepts you will be working with. Training in accounting and/or consultation with an accountant is strongly recommended.

To start your financial planning you will have to make quite a few **assumptions**. For instance, you will have to estimate your yearly sales based on your market research and your marketing plan. Also, when you break your yearly sales down into monthly sales projections, there are certain assumptions that underline predictions of variable sales.

When writing your financial plan, state your assumptions clearly, so that you and anyone else reading your plan can follow your reasoning without needing to ask for clarification.

The money that flows into a business can be divided into two categories: income (or revenue) from operations and capital.

1. **Income from operations** is money received from customers in payment for goods and services provided by the business. Money received as interest on term deposits, or money received as rent on property the business owns would be examples of other money to be categorized as income from operations.
2. **Capital** is money from other sources, including investment by owner(s) and loans and grants from banks and other sources.

The money that flows out of a business is called **expenditure**, which can also be divided into two categories: operating and capital.

1. **Operating expenses or expenditures** include all of the costs of the day-to-day operation of the business. Examples would be the cost of goods sold, selling expenses, rent, phone, salaries, advertising, insurance, etc. Operating expenses also include interest on loans, but not payments made on loans.
2. **Capital expenditures** are those that result in the acquisition of an asset, such as a building, equipment, a vehicle, or an opening inventory.

Based on your assumptions and predictions of operating income and operating expenditures, a **profit/loss projection** can be developed. A profit/loss projection is developed to determine the profitability of your business, and once the business is underway, is usually developed on a monthly basis to measure the performance of the business on a monthly basis. This is referred to as an **income statement**. This should be developed in detail for a period covering one year and in less detail over longer increments of time.

A **Profit and Loss (Income) Statement** is a moving picture of revenue and expenses over time.

There are two basic steps in developing a profit and loss (income) statement.

1. Determine **Gross Profit** by subtracting the cost of goods sold from net sales. In a retail business, this is the difference between the price paid for the goods, and the price they were sold for. In manufacturing or in service businesses, this is the difference between the cost of the production, labour and materials used, and the price paid by the consumer.
2. Determine **Net Profit or Loss** by subtracting the **fixed costs** such as selling and administration costs, etc. from the gross profit. Unlike a cashflow projection, the income statement requires expenses to be entered in the month in which they were incurred, not when they will be paid.

Is your business in a profit or loss situation?

A **cash flow projection** is then developed on both the operating and capital sides of the business. The projection will indicate that the business will have cash coming in at appropriate times to meet the financial obligations of the business. The projection is developed to cover a period of one year with additional predictions over longer periods of time.

You will want to establish a positive cashflow, indicating that there is always more cash than expenses. Then you will have an opportunity to decide how to use surplus cash. Cashflow is based on when cash actually arrives into your business, not when the money is owed to you as a receivable. Similarly, payments calculated are added in for when they will be paid, not when they are incurred. When your business is operational, you will keep separate columns for actual and projected figures.

The amount of capital money necessary in the form of investment, loans and grants can be determined. **Long-term** funds will be used to set up the business. **Short-term** funds will be used to cover the short-term deficiencies that occur from time to time and to cover seasonal bulges that occur when building an inventory for a seasonal sales fluctuation.

Since these financial predictions are all based on your sales forecasts, which were based on assumptions, it is necessary to have very realistic and carefully thought out assumptions.

The **Balance Sheet** shows what a business owes and owns at a particular point in time. When the **liabilities** (what it owes) are subtracted from the **assets** (what it owns), the **net worth** is determined.

Assets are:

- **cash**, including the business' bank balance
- **accounts receivable**, money that is owed to the business
- **inventory**, all the goods on hand including raw materials and finished goods, as of the day the statement is prepared.
- **fixed assets**, including land, buildings, equipment, vehicles, leasehold improvements, etc.

Liabilities are:

- **current liabilities**, the debts to be paid off within 12 months.
- **fixed liabilities**, long term debt, less any portion of that debt which is already listed in the "current" section.

The **Breakeven Analysis** is a calculation that lets you know at what sales volume you will breakeven - neither a profit nor a loss. Breakeven is based on a combination of fixed costs such as lease payments or loans for equipment, which costs do not change no matter what sales volume, and on variable costs such as raw materials, delivery or commission, which costs change as sales volume changes.

Start-up Costs can be isolated from the statements you have previously drawn up to indicate the amount of investment necessary before you begin operating on a day-to-day basis. Break these costs into:

- **fixed asset costs**, such as equipment vehicles, leases, buildings, installation costs.
- **operating costs**, such as opening inventory, deposits on leases, utilities, etc., licenses, insurance, professional fees.
- **promotional costs**, such as advertising, special promotional inventory, opening discounts, etc.

Desired Financing is a summary of the financing you will need over the next three years to carry out business as indicated in your plans, and a listing of whatever strategy of investment you are seeking.

List of security (possessions which can be held as collateral) and **seed-money** (your own investment to be put into the business) will also be indicated in the financial plan.

2. FINANCIAL RECORDS

Proper financial records are an important part of efficient business management. Once you have established your business, have an accountant set up a bookkeeping system that is appropriate for your business. Until this system is set-up, put a temporary system into place. The following suggestions might serve your purposes in the short term.

- Use 24 envelopes, one for each month for income, and one for each month for expenses.
- Set up a folder for each month in which you will file your paid bills.
- Total your monthly expenses, and record them in your expenses envelopes.
- Set up a book in which you will record all of your sales.
- Be sure to keep all your business and personal finances separate. Have two bank accounts, and keep all your records and receipts separate.
- Keep all your business's financial materials in one place.
- Establish a time of the day, week and month to take care of all of your financial transactions.
- Get into the habit of filing expenses and receipts immediately after receiving them.

GLOSSARY OF FINANCIAL TERMS

Some of the terms and definitions below are adapted from A Dictionary of Canadian Economics (Edmonton, Hurtig, 1980). These definitions are related to the financial aspects of running a business.

Accountant - Someone who carries out the bookkeeping, auditing, and other financial reporting and analysis of the company.

Accounts payable - Outstanding bills of the firm; money owed to suppliers for goods and services purchased for the normal operation of the business.

Accounts receivable - Monies owed to the company by customers for goods and services purchased from it.

Assets - The entire accumulated property of a person or company that can be used to pay debts or expenses, including cash on hand and money owed by customers. Assets are those things that a business owns. *See* Current assets, Fixed assets, and Liquid assets.

Audit - An annual financial examination of a business, conducted by an independent firm of accountants whose study is acceptable to Revenue Canada, your bank, and your shareholders.

Bad debts - Money owed to a business by customers who cannot pay.

Break even point - The level of sales (or production) required for a company to show neither a profit nor a loss.

Capital - The total funds invested in a company to enable it to carry on its business.

Cashflow - The amount of money left in a specific period of time after all cash income is accounted for and all cash expenses are paid. If expenses are greater than cash income, then you have a negative cashflow and require additional sources of funding.

Current assets - Cash and property that will be sold or converted to cash within one year.

Current liabilities - Debts that will be paid within one year.

Depreciation - The costs to a firm for fixed assets (machinery, buildings, equipment) that wear out or lose value over a period of time in the normal operation of the business. Depreciation costs are tax-deductible.

Disbursements - Money paid out by a company to its suppliers and other creditors to cover operating expenses.

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Equity - The property and income of a firm after all creditors have been paid. **Equity capital** is the money in the firm that represents ownership, expressed usually in common shares owned by investors.

Fixed assets - Usually real property or depreciable materials. Through buying or selling them, you can increase or decrease the company's worth.

Fixed costs - Business expenses that do not vary with the volume of business.

Fixed expenses - Predictable and firm expenses that are ongoing over a long period of time such as rent, utilities, rental equipment, and salaries.

Forecasting - Predicting how many units will be sold in a given time frame, at what cost to you, and at what price to the end user, in order to quantify the manufacturing needs, economic support, and human resources necessary for success.

Gross profit - The sales income of a business before expenses, depreciation, and taxes are deducted.

Income - The total cash coming to the business from a variety of sources, such as customer payments, interest, tax credits, dividends, and bonuses.

Income and expense statement - A monthly or quarterly report detailing the source and amount of all income and the total costs (sales, wages, benefits) of a business, broken down into sub-headings, that can be compared month to month, season to season, or year to year.

Inventory - Manufactured but unsold stock on-hand and available for sale immediately.

Invested share capital - The money that shareholders and lenders put up initially to start the company.

Investors - Persons or corporations investing money for future benefit, profit or income.

Liabilities - Immediate and future financial obligations that expand and contract with the sales success of a product or service. *See also* current liabilities, and long-term liabilities.

Liquid assets - Cash, and property that can quickly and easily be sold for cash.

Liquidity - The speed and ease with which property can be converted into cash at market value, assuming that there are willing buyers.

Long-term liabilities - Debts that will not be paid off within one year.

Losses - The amount of money by which expenses exceed income.

Management structure - The hierarchy of people and their relationship to each other as well as to the corporation or business. Can also be called the Management team.

Market - The potential buyers of a product or service determined by such factors as geographic, economic, and social characteristics. The demand for a product or service, including the price at which it will sell well. The market is expressed in types and numbers of consumers.

Market analysis - The process of determining the characteristics of the potential consumers of your product or service as well as the size of the group and the depth of penetration you might hope to achieve, when considering costs and competition.

Marketing - Any plan that describes a strategy for making your potential customers aware of your goods and services and to purchasing them. It includes promotion, publicity, advertising, and sales.

Net profit - Income left after expenses, depreciation, and taxes are deducted.

Operating costs - Expenses incurred in conducting the ordinary and necessary activities of a business.

Profit - The financial gain from an undertaking. *See also* gross profit and net profit.

Real property - The land occupied by a building as well as the building itself that serves as the location of your business.

Revenue - The total income a business firm receives from all sources.

Shareholder's equity - The amount by which the value of a company's property exceeds that of its debts, divided by the number of shares. When debts exceed property (including cash), the shareholder is then said to be in a negative equity position.

Spin-off - The establishment of a new corporation for the management of a product or service taken away from the original organization.

Start-up - The beginning of an operation, venture, business or service; the developmental stage prior to receipt of income.

Start-up capital - The total amount of money, resources, and property that a company or a person requires to begin the operation of a business and sustain it until income is received.

Statement of income - A summary report of all forms of income available - sales, gratuities, tax credits, dividends, and receivables.

Target market - A very specific group of potential customers defined by age, lifestyle, sex, socio-economic position, income, geography, needs, and interests.

Tax credit - Monies owing from government as a result of a change in legislation, overpayment, business losses, or a change in one's personal situation. The credit is usually averaged over a number of years.

Venture - A new undertaking created on speculation to make money, especially one in which there is a considerable degree of risk or uncertainty.

Venture capital - The money that a company or person invests in a new business undertaking.

Working capital - The difference between current property and current debts or that of current property (including money) not financed by current debts.

I.

WRITING

Purpose

To provide a format for an early business plan.

Objectives

After completing this module participants will be able to:

- Utilize the form provided to develop a draft business plan for their business concept.

I. THE WRITTEN BUSINESS PLAN

At this point, you should be ready to start putting your ideas on paper. The following "Fill In The Blanks" business plan is a good way to begin. Try to complete the plan to the best of your abilities. If you require assistance, talk to the group leader. For further assistance, arrange a consultation with a business development officer at a local Business Development Centre.

When filling in the information, pay special attention to the Marketing and Financial portions of the plan. These are of most interest to lending institutions.

FILL IN THE BLANKS BUSINESS PLAN

What is the nature of the proposal (type of business or service?)

1. Background Information

What type of organization is your business?

Proprietorship	_____	Partnership	_____
Corporation	_____	Other	_____

List all shareholders or main principals in the business. Include names, addresses and percentage of ownership in the business.

Provide the date of incorporation and/or the commencement date for the business.

2. Products/Services

Provide a brief description of the product/service offered by the business.

What is the long-term outlook for your product/service?

3. Market

Identify your target market. i.e: Who are your potential customers?

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Describe briefly the characteristics of your target market. Include information such as ages, location, reasons for their interest in your product, etc.

If you are currently running your business, describe how your product/service has been received.

What is the market potential for your products? Why?

4. Competition

Identify your major competitors in your market area.

Name	Location	Product/Service	Price	% of market
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How will your business differ from that of your competition?

What advantages does your business have over your competitors?

	<u>Your Product</u>	<u>Competitors</u>
Price	<hr/>	<hr/>
Quality	<hr/>	<hr/>
Product	<hr/>	<hr/>
Uniqueness	<hr/>	<hr/>
Availability	<hr/>	<hr/>
Service	<hr/>	<hr/>

5. Marketing

What are the terms and conditions governing your sales? i.e: Will you have a credit policy? If so, what percentage of sales will be cash and what percentage will be credit?

In what geographical location do you plan to promote your product/service?

How do you plan to promote your product/service? Identify the types of advertising vehicles you intend to use in your promotions.

6. Operations

Give a description of the location of your business. Include the address, size of building, rent, amount of land, costs of land and buildings if purchased, etc.

What reasons do you have for choosing this location?

What type of equipment will you need to purchase for your business? Include information on costs and installation charges as well as where the purchases will be made.

Handout #23

Indicate where the supplies and inventory for your business will be purchased. Provide the names and addresses, costs and terms for those suppliers that have been identified.

Provide job descriptions for any employees who will have to be hired (excluding the owner). Include the costs of wages to be paid to employees.

7. Management

Identify those individuals who will hold key management positions in the business. Attach a copy of a resume for each of these individuals. The resume should include information on the training and experience of each person as well as an indication that they have the necessary skills and qualifications to operate the business.

Indicate the salary level for each of the managers identified.

Indicate what you feel to be the strengths and weaknesses of the proposed management team.

8. References

Type of Account

Name of Bank

Chequing

Savings

Loan

Name of Accountant

Name of Lawyer _____

Other (Professionals) _____

9. Financial Plan

- 1) 12 month cash flow projections
- 2) 3 year profit and loss statement
- 3) opening balance sheet

Breakeven analysis

Profitability

Return on investment

Assumptions - on what assumptions are your projections based? i.e.:
turnover rate, percentage of market share, number of working days etc.

10. Summary of critical risks and assumptions

What do you consider to be the major risks or problems associated with this proposal?

How do you think you can minimize these risks and/or deal with the problems?

11. Capitalization

What amount of money will you require, and how will you allocate the funds?

What are your sources of financing?

If you are expecting to borrow money, when will the money be paid back, and at what rate will it be paid back?

12. Security

What are you prepared to offer as collateral against your loans?

The "New Business Checklist, Handout #24, and "Obtaining Financing: Preparing For A Loan Interview", Handout #25, will help you to evaluate the information you have included in the Fill in the Blanks Business Plan.

Your final document should be no more than 12 pages, excluding the resumes and supporting documents that you attach.

If you require some outside assistance don't hesitate to ask for help. Remember, a loans officer or bank manager will expect you to be an expert in all facets of your business, so you will want to be well prepared before you visit their offices.

NEW BUSINESS CHECKLIST

**A HELPFUL LIST OF QUESTIONS TO CONSIDER
BEFORE STARTING A NEW BUSINESS**

- () SITE ANALYSIS
- () NEW BUILDING
- () EXISTING BUILDING
- () MARKETING
- () EQUIPMENT
- () FINANCE
- () APPROVALS
- () RESUME
- () OPERATIONS
- () LABOUR

Handout #24 "New Business Checklist" is intended for use by advanced participants who have researched their business plans extensively. It can also be used as a guide for those starting their research.



SITE ANALYSIS

LOCATION:	what city?	()
	township?	()
	county?	()
	lot number?	()
	street number?	()
	postal code?	()
	- if in township, will it be annexed?	()
HIGHWAY ACCESS:	condition of road?	()
	width of road?	()
	maintained by whom?	()
	volume of traffic?	()
PHYSICAL DESCRIPTION:	dimensions in feet?	()
	size in acres?	()
	flat or hilly?	()
	any grading costs?	()
	any clearing costs?	()
	what type of soil?	()
	any rock problems?	()
	water table depth?	()
	any trees to save?	()
	any drainage problems?	()
	possible flooding?	()
RAILROAD SERVICE:	what railroad?	()
	switching frequency?	()
	cost of siding or extension?	()
	easement requirements?	()
	any grade crossing?	()
	other industry interference?	()
TRUCKING SERVICE:	access to major highways?	()
	truck and axle weight?	()
	bridge or underpass restrictions?	()
	frost season restrictions?	()
	close set truck terminal?	()
ZONING RESTRICTIONS:	what use now?	()
	presently zoned?	()
	adjacent property zoning?	()
	what rezoning needed?	()
	any off street parking required?	()
	any off street loading required?	()

Handout #24

ELECTRICITY:	what voltage?	()
	1 phase or 3 phase?	()
	conductor size?	()
	location of substation?	()
	record of outages?	()
NATURAL GAS:	cost of extensions?	()
	name of company?	()
	location of main, how far?	()
	capacity?	()
	pressure?	()
	cost of extension?	()
	past interruptions?	()
WATER:	future shortages?	()
	name of supplier?	()
	how far from main?	()
	size of main?	()
	cost of extension?	()
	pressure at main?	()
	water analysis?	()
SEWERS, SANITARY:	depth of line?	()
	size of line?	()
	cost of extension?	()
	gravity flow or pumped?	()
	ordinances on industrial waste?	()
STORM:	liquid waste disposal?	()
	size of line?	()
	is it connected to sanitary?	()
TAXES:	assessed value of land today?	()
	assessed value of present buildings?	()
	future land assessment (industrial)?	()
	today's taxes on similar project?	()
	any other taxes on building?	()
PROTECTION:	patrolled by?	()
	fire department? how far?	()
	fire insurance classification?	()
	hydrant distance?	()
	pressure?	()
DIRECTIONS ON USE:	flow?	()
	legal easements?	()
	protective covenants?	()
	abandoned cemeteries?	()
ADVERTISING VALUE:	view from highway?	()
	general appearance?	()
	signing on property?	()

Handout #24

PURCHASE INFORMATION: asking price and terms? ()
cost per acre? ()
name of owner? ()
broker's name and address? ()
option cost? ()

SPECIAL: advantages of the site? ()
disadvantages of the site? ()

NEW BUILDING

Your own architect versus a "design-build" contractor? ()

Performance bond? ()

Previous clients of builder? ()

What guarantee on building? ()

How many builders tendering? ()

Starting and completion dates? ()

Penalties for late completion? ()

Possibilities of over runs? ()

Who is doing the inspections? ()

When are partial payments made? ()

If renting - length of lease? ()
 - leaseback possibilities? ()
 - options available? ()
 - escalation clauses? ()

If buying - what terms? ()
 - what size mortgages? ()

Insurance - public liability? ()
 - fire and theft? ()
 - business interruption? ()
 - equipment? ()
 - building - what rating? ()
 - accidents to staff? ()
 - life of principals? ()
 - bonding of employees? ()

EXISTING BUILDINGS

- | | | |
|-------------------------------------|---------------------------|-----|
| How many square feet | - office? | () |
| | - warehouse? | () |
| | - plant? | () |
| | - restaurant, kitchen? | () |
| | - rest room? | () |
| Type of Construction | - frame? | () |
| | - concrete? | () |
| | - concrete block? | () |
| | - steel? | () |
| Outside appearance | | |
| Insulation | - type? | () |
| | - thickness? | () |
| Floors | - how many floors? | () |
| | - type? | () |
| | - thickness? | () |
| | - strength? | () |
| Fire hazards? Sprinklers? | | () |
| Expendability? | | () |
| Other uses for the building? | | () |
| What heating system? | | () |
| How old is the building? | | () |
| Can the whole building be utilized? | | () |
| Original cost versus today's cost? | | () |
| Costs to modify your needs | | () |
| Plant capacity? | | () |
| Hydro | - 550V - 3 phase? | () |
| | - 110V - 1 phase? | () |
| Water | - Gallons per hour? | () |
| Drains | - what size and capacity? | () |
| | - sewers or septic tank? | () |
| Gas | - cubic feet per minute? | () |
| Burglar alarms vs security guards? | | () |

MARKETING

Customers	- who are they?	()
	- what age?	()
	- income bracket?	()
	- occupation?	()
	- education?	()
	- where do they live?	()
	- which sex?	()
	- what motivates them to buy?	()
	- where are they?	()
	- how often do they buy?	()
	- seasonal?	()
	- cash or credit?	()
	- who is decision maker?	()
Competition	- how many?	()
	- how strong?	()
	- brand name?	()
	- what % of market?	()
	- does your product differ?	()
	- what advantages do they have?	()
	- what disadvantages do they have?	()
Product	- what promotional techniques are they using?	()
	- is it unique?	()
	- what quality?	()
	- well designed?	()
	- any eye appeal?	()
	- what sizes do you need?	()
	- any special packaging required?	()
	- what labels are needed?	()
	- is it a luxury product?	()
	- is it a convenience item?	()
Service	- any special installations?	()
	- any guarantees?	()
	- who will give service?	()
	- who will stock parts?	()
	- any accessory sales?	()
	- any delivery problems?	()
Delivery	- return policy?	()
	- by air, water, rail, truck, own vehicle, company car, courier or mail?	()
	- who pays?	()
Distribution	- selling direct to customer?	()
	- through wholesalers?	()
	- through retailers?	()
	- combination of both?	()
	- how many per region?	()

Handout #24

- | | | |
|------------------|---|-----|
| Sales Management | - will you have a sales manager? | () |
| | - individual territories? | () |
| | - incentives? | () |
| | - salaried? | () |
| | - commissions? | () |
| Advertising | - what media? | () |
| | - TV, radio, magazine, newspaper,
direct mail, outdoor billboards,
trade magazines? | () |
| | - how many dollars? | () |
| | - how often? | () |
| | - quality of price? | () |
| | - need an advertising agency? | () |
| | - pens, matches, openers, etc.? | () |
| | - catalogue sheets? | () |
| | - calling cards? | () |
| | - co-operative advertising with distributors? | () |
| | - cents off, specials, free goods,
value coupons, etc.? | () |
| | - do you have a logo or trade mark? | () |
| | - will logo be in all advertising, packaging,
signs, labeling, stationery, windows,
trucks, invoices, statements, etc.? | () |
| Public Relations | - any free publicity available on radio, TV,
newspaper, trade magazines,
Financial Post, etc.? | () |
| | - any possibility of speaking to groups or clubs? | () |
| Price | - how important is price? | () |
| | - are you competitive? | () |
| | - are you aiming at a mass market,
carriage trade, or where? | () |
| | - what discounts for distributors? | () |
| | for retailers? | () |
| | for big buyers? | () |
| | - do you need a price list? | () |
| | - will inflation necessitate increases? | () |

EQUIPMENT

- | | |
|------------------------------|-----|
| List all equipment required | () |
| Which can be purchased used? | () |

Handout #24

- | | | |
|---|---------------------------|---------|
| Used equipment | - condition and age? | () |
| | - restoration costs? | () |
| | - extra maintenance? | () |
| | - safety features? | () |
| | - are parts available? | () |
| | - any guarantees? | () |
| | - any liens on them? | () |
|
New equipment |
- competitive quotes? |
() |
| | - list of all suppliers? | () |
| | - which guarantees? | () |
| | - any parts available? | () |
| | - any resale value? | () |
|
What degree of specialization? | |
() |
| Estimated cost of each piece? | | () |
| Installation costs? | | () |
| Transportation costs? | | () |
| Probable maintenance costs? | | () |
| Are motors proper phase and voltage? | | () |
| Will they go through doors of building? | | () |
|
What are terms of sale | - down payment? |
() |
| | - time payments? | () |
| | - lease? | () |
|
Your copies of | - agreement of sale? |
() |
| | - guarantees? | () |
| | - shipping documents? | () |
|
Are there duties and sales taxes to be added? | |
() |

FINANCING

- | | |
|---|-----|
| Do you know how much money you will need now for: | |
| building and land? | () |
| machinery and equipment? | () |
| vehicles? | () |
| working capital? | () |

Handout #24

Forecasts	- for first year: monthly cash flow? monthly profit and loss?	() ()
	- for next four years: annual cash flow? annual profit and loss?	() ()
Accounting	- have you an accountant? - can he/she certify your statements? - do you have an accounting system? - do you have an experienced bookkeeper? - do you have an opening balance sheet?	() () () () ()
What Form	- incorporated? - partnership? - sole proprietorship?	() () ()
Shareholders	- how many people? - how many dollars? - who has control?	() () ()
Have you chosen a lawyer experienced in company law?		()
Which sources of money are best for your new undertaking?		()
Equity	- personal? - friends and relations? - employees? - venture capital companies? - interested investors?	() () () () ()
Short Term	- bank loans? - customers pay in advance? - suppliers giving long terms? - finance companies? - conditional sales contracts?	() () () () ()
Long Term	- institutional term lenders? - life insurance companies? - government loans? - shareholders loans?	() () () ()
Others	- credit union? - factoring your accounts receivables? - leasing your equipment? - government grants?	() () () ()

Handout #24

For each of the above have you determined:

- the monthly payments? ()
- for how long? ()
- at what interest rate? ()
- what collateral is required? ()
- any personal guarantees? ()

RESUME

Have you written a resume for lenders, investors, suppliers, including:

- the nature of the business? ()
- your expectations? ()
- your business experience? ()
- your past successes? ()
- is it a growing business sector? ()
- is it a franchise? ()

OPERATIONS

Have you made a full assessment of your product design? ()

Doing any research and development on new ideas? ()

Who are your various sources of supply? ()

Are you buying supplies and raw materials at the best possible prices? ()

What size is your raw material inventory? ()

Have you established a line of credit with suppliers? ()

Have you a work flow chart or plant layout? ()

What about

- material handling? ()
- production controls? ()
- quality controls? ()
- costing systems? ()
- housekeeping? ()
- licensing agreements? ()
- patentable items? ()
- inventory controls? ()

Have you visited other firms in same line of business for advice? ()

Have you visited appropriate government departments for latest technical advice? ()

Are you manufacturing efficiently? ()

Are there any other ways to make your product? ()

VIDEO

"A HEAD FOR BUSINESS"

J.

FINANCING

Purpose

To provide basic information about financing a small business.

Objectives

After completing this module participants will be able to:

- List different types of financing.
- Outline information that a potential creditor would need to know about the business.
- Describe different types of loans.
- Describe different types of security.
- Begin to present her business concept in a positive manner.
- Demonstrate an understanding of personal resources for financing her business, and the advantages/disadvantages of the resources.

I. OBTAINING FINANCING FOR A SMALL BUSINESS

Introduction

When the Government of Quebec, through its Branch of Female Entrepreneurship, researched financial negotiating for women business owners, they found that banks don't know enough about women in business, and, conversely, women don't know enough about the workings of the banks. Similar research undertaken in Alberta has confirmed these findings, and includes the following information:

- As a rule women have had fewer assets when starting their own business than men who start their own businesses have had.
- Women have started their businesses in areas of the economy that are not considered to be big money makers. These areas of the economy have been the easiest for women to enter.
- Women's businesses are clustered in the service and retail sectors. These are areas where the skills that women have developed in the home are most easily transferred.

1. Getting Started

There are a number of points to keep in mind when looking for financial assistance for a business.

- a) The start-up money you raise yourself is called **seed money**
- b) The assets you put up to guarantee the loan to the bank are called **collateral**.
- c) When looking for start-up funds, use as many personal resources as possible.
- d) Many banks consider the amount of personal investment as representative of the business owners' commitment to the business. For this reason, they will take a close look at the amount of money that has already been raised for investment in the business.
- e) Start approaching potential lenders well before actually needing the money. Money lenders investigate borrowers thoroughly, and some loans can take up to six months to become finalized.
- f) People you have had past dealings with should be the first ones you approach when looking for financing. Through experience, they are able to assess the risks involved in lending you money.

2. Types of Financing

One or a combination of the following types of financing, may prove to be viable options for your business:

Equity Financing - This involves selling shares in your business to obtain start-up funds. This money is not subject to repayment or interest costs. Investors of this type usually share in the company's profits.

Life Insurance - Insurance companies will loan you part of the "cash-in" value of your whole life policy with no security requirements.

Corporate Backing - If you can convince a corporation that backing your business is good for its image, this is a potential source of funding. It is difficult to get, however, unless you have close contacts within a corporation.

Factoring - This is a way to obtain quick or short-term financing to help buy pre-season stock. A factoring company will buy your receivables (money owing to you), bill and collect the amounts owing, and carry your credit losses (receivables that remain unpaid). For this, you pay them a commission.

Venture Capital - This kind of capital comes from large corporations or investment underwriters looking for a quick return on their investment. This type of financing is not usually an option for a new and struggling small business.

Private Placement - In this case, the stock of your company is placed with banks or venture capital companies with a broker as a go-between.

Credit Unions - Loans can be easier to obtain from credit unions than from banks. Interest rates can also be lower than the chartered banks.

Credit Cards - These can be used as a method to obtain short-term financing. It is one way that sponsoring banks can provide cash for emergencies. However, this is not a good option for long-term financing as the interest rates can be high.

Delayed Payments or Trade Credit - This can be a useful alternative during times of low cash flow. Suppliers can give a small business credit for later payment, or arrange installment payments or down payments.

3. Information About Banks

Chartered or government recognized banks are found throughout Canada. They are equipped to provide all types of financing including short and long-term loans, leasing, mortgages, and factoring. Banks require that individuals receiving loans provide some kind of collateral, or loan guarantee. Failing this, the borrower must have a co-signer: another individual who will guarantee the loan.

It is not unusual to find banks that still require women to obtain a male co-signer for their loans. This can happen even though the woman has an independent income, and a male in the same circumstances would not be required to have a co-signer. Because women are faced with this unequal treatment by banks, it is important for women to take extra care in applying for financial assistance.

Before approaching the potential creditor for a loan, make sure you have taken the following steps so that you are well prepared:

- a) Prepare a detailed business plan as discussed in this workshop, including marketing, financial and operating plans.
- b) Have a good idea of the costs involved in starting and operating the business in the short term.
- c) Know how much money is currently available for the business, and how much more will be necessary to get the business started.

A good credit rating is important to have when trying to arrange financing for a new business. A credit record comes from having a bank account, paying rent, paying utilities, having a mortgage or having credit cards. It can be difficult for a woman to have a separate credit rating from her spouse if all the bills are in the spouse's name. If this is the case, experts suggest getting a small personal loan and repaying it right away. This will automatically give you a credit record.

4. Types of Loans

The following types of loans are usually available through banks and other lending institutions:

Personal Loans - These are loans made to an individual rather than to a business. Normally personal collateral or security such as a house or furniture must be used to guarantee the loan.

Business Loans - These are loans to a business which are secured with business assets such as equipment or stock.

Demand Loans - These are loans to a business which can be called in at any time. A line of credit is a kind of demand loan, but it is specific amount of credit that the bank will allow a borrower to have at any given time.

Term Loans - These are loans that are paid back over a certain period of time usually through monthly payments. Short-term loans are for periods of one to two years and are usually for purchases of stock or small equipment. Long-term loans are for periods of more than five years and are normally taken out for large scale needs such as mortgages on properties or buildings.

The interest rates that a bank will set on a loan depends on many individual factors. The amount of seed money obtained to start a business, as well as the risks involved in the business, are examples of the types of information that banks consider when negotiating an interest rate.

When entering into a financing agreement, it is important to consider more than just the amount to be borrowed. Attention should be paid to the terms and conditions surrounding the loan. Collateral requirements, repayment terms, and interest rates are all important aspects of any loan.

Since it is likely that a new business will require outside funds at some point, keep the following in mind:

- When first starting a business, it can be difficult to get start-up loans or equity financing. Obtaining financing to purchase equipment may be easier.
- Even if you can personally cover the start-up costs of the business, it is likely that you will need a cash flow. Arrange cash-on-the-line and credit before it is a matter of life and death for the business. Outside lenders usually don't want to help a business that is already in trouble. It will be easier to get a line of credit if your business can show its ability to survive.
- It is better to budget for a possible crisis before it occurs.
- The bank will consider you a risk if you personally have a large financial investment in the business.

5. Types of Security

There are a variety of types of security that a bank or lender may request as security against a loan. A few of them are as follows:

Endorser - This is someone who signs the loan with the borrower, and promises to cover it if the borrower is unable to pay back the loan.

Guarantor - This is a type of security that is used when financing a corporation. The members of the corporation give a personal guarantee to repay the loan if the corporation cannot.

Mortgages - The lender will hold your business or personal mortgage against the value of the loan. If you cannot repay the loan, the property will be taken as repayment.

Assignment of Accounts Receivable - The borrower assigns all the business's accounts receivables to the lender to guarantee the loan.

It is important to remember that if you use all your assets as security the first time you arrange a loan you will have nothing left with which to negotiate subsequent loans, should the need arise. Before signing any security documents, consult with a lawyer and accountant to ensure you have as much personal protection as possible should your business fail.

II. PREPARING FOR THE LOAN INTERVIEW

1. Before the Interview

Think positively. Concentrate on getting preparing information that will get you the results you want rather than thinking about your chances of refusal.

Keep perspective. Remember, you are the customer and **you** can choose the bank offering the terms that best suit your needs. Remember, also that a bank's business is to lend their funds to people like you and businesses like yours.

Prepare ahead. During the interview the loans officer will be trying to assess your ability to run the business, as well as the viability of your business idea itself. Judgements will be made in the following areas:

- The chances of your business succeeding.
- Your ability to repay the loan.
- Your skills as a manager.
- Your character as reflected by the way you present yourself.

By the end of this workshop you will have completed, or be well on your way to completing a business plan. You will be required to bring this plan to your loan interview.

Because banks only lend money in order to make money, they must determine whether or not your business is a good investment. Anticipate being asked questions and providing information such as the following in Handout #25.

OBTAINING FINANCING:

PREPARING FOR A LOAN INTERVIEW

1. Determine the lending requirements of a number of banking and lending institutions in your area. Does your business meet these requirements. Plan to talk to a number of loans officers of lending institutions.
2. Prepare a number of copies of your business plan, and know the contents thoroughly.
3. Practice describing your business out loud to a trusted individual who can help you polish your presentation.
4. Do you firmly believe in your business venture?
5. Are you able to say why customers will buy your products, goods, or services instead of the competition's products?
6. Do you have facts to back up the data you have presented regarding prices, competition, cost estimates, etc.
7. Can you demonstrate that your skills and experience are suited to your business plan? Can you do the same for co-workers? How much business management experience do you have?
8. Are you aware of the weaknesses of your business concept and have you developed plans to deal with the weaknesses?
9. Can you outline the percentage of your potential market you expect to capture?
10. Can you outline your current or expected sales volume? What is your net profit? What assumptions have you made to reach these projections? Are they reasonable assumptions?
11. Can you demonstrate that you will be investing in your business?
12. What security (collateral) can you place against your loan? Do you have a secondary source of funds that will allow you to repay a loan? How will you repay the loan?
13. What is your personal credit history?

Adapted from: Government of Quebec, Women's Entrepreneurship Branch,
Department of Industry and Commerce, *Negotiating My
Financing*, Quebec City: 1987.

Women's Career Resources
Alberta Career Development
and Employment

Exercise - Business Commercial

Purpose

- to provide practice in speaking about the business before a supportive group of people

Time

- 20 - 30 minutes

Materials

- product samples of descriptions

On the previous day, ask participants to bring in a sample of their business product, if it is available, or provide a description of their service. Explain this exercise, in advance, so that they are prepared to discuss their business concept. Their ability to clearly and positively explain their business concept will partly determine their success in marketing, operating and obtaining financing.

Have each participant give a two minute presentation to the group that is designed to explain her product and her business in a way that will invite others to buy. To do this, she will want to include the favorable aspects and advantages of her product or service, and then let them others know how and where the product can be obtained.

2. The Interview

Keep in mind that a loan interview is similar to a job interview. The interviewer has a limited amount of time to make an assessment as to whether or not you and your business are good prospects. The impression that you make at the interview will play an important part in the decision-making process. Keep the following points in mind:

1. First impressions are important. Arrive on time, and be well organized. Dress in a business-like fashion with simple accessories and neutral colors.
2. Knowing yourself and your strengths, will help you to be prepared for the questions that will be asked. You must be able to demonstrate that you are a knowledgeable, capable, determined and committed individual.
3. Research the bank before you go to the interview. Knowing the bank's philosophy, and general business practices will help you present yourself in an appropriate way.
4. Have a well-prepared loan application. If possible, have a friend or business associate review the important points in the application before going to the interview.
5. Be prepared to "sell" your product to the bank. Bring a sample of the product and/or any newspaper articles that have focused positively on your business.
6. Be sure to make the loans officer aware if you have pre-sold your product or service, or have a contract in place.
7. If your loan application is rejected, find out why. Be sure, however, to get a written letter of rejection as these will be important should you decide to apply for government funds.
8. If you feel you have been unfairly treated, you have every right to make further inquiries, and to make a formal complaint. Speak to the bank manager and president. If human rights are involved, a complaint can be filed with the Human Rights Commission.
9. If your loan does go through, go over all the terms and conditions with your accountant to be sure you have a complete understanding of the agreement. You should know what the limits of the agreement are, what the repayment terms are, as well as the security arrangements. Ensure a release clause has been included so that any security will come back to you at the end of the agreement.
10. Establish a business relationship with your banker. Afterall, you want to be more than just another file in the desk drawer.

Exercise - Role Play

Purpose

- to provide further practice at outlining the business, including it's advantages and disadvantages.

Time

- 15 minutes

Materials

- none

At this point, break into groups of two. Role play a loan interview. Each person should take a turn at being the individual requesting the loan from the loans officer, and practicing "selling" her business concept.

3. Financial Assistance Programs

There are many government programs available which have been designed to assist small business owners in starting their own businesses. Because of the paper work involved, it can take anywhere from three to eight months to determine your eligibility for a program. It is important, therefore, to be aware of these programs in the planning stages of your business.

Handouts #26 & #27, "Financial Assistance Programs" and "Thinking About My Sources of Income" will provide you with information about government programs and assist you in assessing your financial needs.

FINANCIAL ASSISTANCE PROGRAMS

Alberta Opportunity Company

The Alberta Opportunity Company (AOC) is a lending institution for people who have had difficulty obtaining financing through conventional sources. There are 12 offices across Alberta. Smaller centres work through the closest regional office. The AOC requires that borrowers contribute 25% of the financing of the business. That means, if the business requires \$1,000 to become established, the borrower must raise \$250 on her own. The AOC is a term lender for fixed assets but will only supplement working capital. The company will not supply funds for daily operating expenses.

For more information, contact the office closest to you, or:

Alberta Opportunity Company
Edmonton Regional Office
Telephone: 427-2140

Canadian Jobs Strategies

There are a number of programs which come under the Federal Government's umbrella of the Canadian Job Strategies. While each of the programs differ in its goals, on the whole, they are designed to assist workers in gaining skills which are in demand by the labour market, and to assist employers in training workers in the skills that they require.

One of the target groups of the Canadian Job Strategies programs are women who are re-entering the workforce. Employers who are willing to train women who have been out of the job market for a significant period of time may find that they are able to take advantage of some of these programs. Women who are planning to return to the labour force might also be able to receive assistance with formal, or on-the-job training.

Some of the following programs come under the Canadian Jobs Strategy:

Skills Investment - This aspect of the program is designed to assist businesses that have undergone changes which have resulted in a change of skill requirements in the workplace. Employers can receive assistance in retraining their present staff so that they can acquire the new skills needed in the workplace. The purpose of this program is to prevent the present staff from being laid off due to the new skill requirements of the job. It is of benefit to already established businesses.

Skills Shortages - The Skills Shortages program targets those skills that are in demand by the labour market, but are in short supply among the labour force. Assistance can be provided to employers who are willing to train workers in these designated skill areas.

Women's Career Resources
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Job Development - The Job Development program is designed to assist employers who are willing to provide on-the-job training to a new employee.

Wage subsidies are available through this program. As well, provisions can be made for capital costs and necessary formal training costs.

Job Entry/Re-entry - This program is designed for those who are entering the labour market for the first time, and for women who are re-entering the labour market after a significant period of time as a homemaker. Programs are developed which can provide the skills that are necessary to get a job. Usually a combination of classroom training and work experience is provided through this program.

Information on all of these programs is available from the Canada Employment Centre in your area.

The Canadian Rural Transition Program

This is a federally funded program designed for those who must quit farming for financial reasons. The program is run as a cooperative effort between Agriculture Canada and Canada Employment and Immigration. Applications are made through the local Canada Employment Centre.

There are two aspects of this program which might be of benefit to new business owners. They are the self-employment grant and the wage reimbursement program.

If a woman is starting a business because of financial difficulties on the farm, she could be eligible for a grant to start a new, non-farm related business. Financial assistance is available for the start-up period of the business.

The wage reimbursement portion of this program could also be of interest to small business owners. Employers are provided with a financial incentive to hire family farm members in their new business.

For more information on this program contact your local Canada Employment Centre, or:

Canada Employment and Immigration
CRTP Consultant
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C1
Telephone: 495-2415

Small Business Improvement Program

Small business improvement loans are available through this program run by the Federal Department of Regional Industrial Expansion. Small businesses are defined as those having sales of less than two million dollars per year.

The department will guarantee loans which are processed through certified banks. All enquiries and applications must be made through the banks. Loans can be given to cover the costs of equipment or renovations, or to cover start-up or expansion costs. To be eligible, the borrower must be able to cover 20% of the costs herself. Detailed business plans are required as part of the application process.

For more information, contact the bank manager or loans officer at your local chartered bank, Treasury Branch, Credit Union or trust Company. If information is not available, brochures on the program can be obtained by contacting:

Industry, Science and Technology Canada
Small Business Loans Administration
235 Queen Street
Ottawa, Ontario
K1A 0H5

THINKING ABOUT MY SOURCES OF FINANCING**1. How much money do I think I will need for my new business?**Best Estimate \$ _____**2. On what information have I based this estimate?**

Information	Researched on my own	Obtained from an expert
Preliminary balance sheet	_____	_____
Cash budget	_____	_____
Feasibility Study	_____	_____
Market Study	_____	_____
My Intuition	_____	_____
Other	_____	_____

3. Sources of money I need for my businessI am investing \$ _____I have to obtain through financing \$ _____**4. Who could help me with financing?**

- a) Identify people you know who could help you (colleagues, bank manager, spouse, relatives, friends, etc.).
- b) Identify how they can help (cash loan, loan guarantor, provision of collateral etc.).
- c) Make a list of these people indicating *Who* they are, *How* they can help and the *Likelihood* of them providing help to your business.

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-
5. What are the advantages and disadvantages of obtaining financing from each of these individuals.

Individual

Advantages

Disadvantages

-
6. List the people who have been contacted and the results obtained through each contact.
-

K.**LAW****Purpose**

To provide information that will enable participants to be more knowledgeable when choosing a lawyer for their business, and to assist them in determining when legal advice should be sought.

Objectives

After completing this module, participants will be able to:

- Describe options for the legal organization of a business.
- Describe three situations where the advice of a lawyer should be sought by a small business owner.
- Explain three steps that should be taken before choosing a lawyer, to ensure that the lawyer will meet the needs of the business.

I. LEGAL CONCERNS

1. Organization of the Business

This section is designed to introduce the different types of business structure you might enter. Generally the legal structure of your business should be discussed with a lawyer prior to making a decision.

a) Sole Ownership

Sole ownership occurs when a business is owned and operated by one person. It is the simplest form of business structure. In the case of sole ownership, all the decisions are made exclusively by the owner. All profits also belong to the owner. If the business should fail, the owner must accept total liability.

Advantages/Disadvantages:

- This is the cheapest and least complicated type of business to set-up and operate. All that is required is a business licence or permit and a name registration.
- Filing taxes is simple. You just attach a self-employment form to your regular personal tax form.
- Business losses can be deducted from other personal income.
- Unlike corporations, it is not necessary to file yearly reports which take time and cost money.
- The business can be closed down easily; the owner simply has to stop doing business.
- The owner is personally responsible for debts or legal judgements against the business. Personal assets, such as a house or car, and private income, can be taken to pay off business creditors.
- There are not as many tax operations in a sole proprietorship as there are in a corporation. Depending on taxable income, a sole proprietorship may be taxed at a higher rate than a corporation.
- If the owner of a sole proprietorship becomes ill, or dies, the business will most likely cease to exist. This may be a problem if the owner wants to leave the company to someone in a will or wants the company to be run by someone else.

b) Partnership

A partnership is an association of two or more people who carry on business together. Shared responsibilities can lighten the work load for each partner. Complimentary skills and talents between the partners can also improve management and productivity. If one of the partners has working capital, it will be easier to get loans than if you were on your own.

A partnership must be registered on a special form and filed with the Partnership Registry Office. The form is available from the corporation division of the Provincial government.

It is important when forming a partnership, to have a partnership agreement prepared by a lawyer. A partnership agreement should include:

- Length of the partnership
- Levels of authority within the business
- Duties of each partner
- Responsibilities for handling business expenses and signing cheques
- Provisions for sharing of profits and losses
- Salary allocations
- Procedures for handling disagreements and problems
- "An expulsion clause" which allows a way for two or more partners to get rid of a partner.
- Procedures to be followed upon the death, retirement or illness of a partner.
- Conditions of sale to one of the partners or an outside party.
- A way to dissolve the partnership.

Advantages/Disadvantages:

- Partners can be held responsible for other each other's mistakes. All partners are individually and collectively responsible for all debts of the partnership.
- Unless otherwise stated in the agreement, the partnership dissolves upon the death or bankruptcy of any of the partners.
- A partner must have permission of all partners before selling her shares in the business.
- Unless the agreement states otherwise, or one of the partners has broken the law, the other partners cannot band together to get rid of a partner.

Limited Company or Corporation

A corporation is a company after it has gone through the process of "incorporation". A corporation is made up of stock holders, and a board of directors. Ownership of the company is based upon individual ownership of shares. A corporation exists separately from the people who run it. It will continue to exist even if the shareholders change. The advantage of becoming a corporation is that no one member of the board assumes personal financial responsibility if the company should fail.

- Voting power is determined by ownership of shares.
- The corporate name must include Inc., Corp., or Ltd.
- It is important to carry out a name search and to file correctly-worded documents.
- It is necessary to write corporate bylaws and to keep them updated as "permanent documents". Bylaws must cover how shares are divided, voting rights, terms of the corporation directors, and how the annual report is to be prepared.
- In setting up a corporation, get assistance from your lawyer or use an incorporation service. Have your lawyer review your bylaws to ensure that there are no problems.

Advantages/Disadvantages

- A corporation is more expensive to establish than a sole proprietorship or partnership.
- Personal financial responsibility is limited to the amount of money invested in the business. Investors find corporations to be attractive investments because of this limited liability.
- Corporations may be taxed at lower rates than sole proprietorships or partnerships.
- Many tax options are available to corporations. It is possible to set-up pension plans, profit-sharing plans and stock options which could result in tax benefits.
- If the business's total taxable income is under \$25,000.00, there may not be any tax benefits from being incorporated.
- It is necessary to file both individual and corporate tax returns.
- Setting up and running corporate business records to meet legal requirements takes extra time and money. There are many more regulations for corporations than there are for sole proprietorships and partnerships. These regulations are called "corporate procedures."

d) Cooperatives

A cooperative exists when three or more people pool their time, products or services. Their goods are then sold and any profits are returned to the contributors. The main goal of a cooperative is to allow members to sell their products easily and at a cheaper cost. If an individual has little money, and expects it will take a long time to establish a business, a cooperative can help the business survive longer by pooling resources, and sharing a common building as well as tools and clerical staff.

Things to Remember

- A cooperative is a special type of 'incorporated association' and must be formally registered as such.
- It is illegal to call a business a cooperative unless the business is registered with that formal legal status.
- Each member in a cooperative has one vote.
- There are six, internationally accepted, principles or cooperatively run businesses. They are:
 - open, voluntary membership
 - democratic control
 - limited interest on shares
 - return of surplus to members
 - cooperative education
 - co-operation among cooperatives

e) Non-traditional Business Structures

There are ways of carrying out business which are considered to be outside of the mainstream. One of these ways has been loosely defined as "feminist enterprises". These women's organizations work on a collective basis and decisions are made by consensus. While women's businesses can be very different from one another, they are founded on common principles.

Feminist businesses often run as collectives or co-operatives, sharing the decision-making as well as the profits. Within these businesses, women make an effort to work in a way which does not reinforce the competitive business world.

By running these businesses, women are trying to alleviate some of the problems that women face in the traditional business world. Women's groups are using daycare at the workplace, job-sharing, flexible time schedules, and equal and cooperative management techniques to improve their working lives. While these types of businesses are not widespread, there are many publishing houses, restaurants and hotels which are run in this manner.

2. Taxation

Check with your accountant about up-to-date information on taxation, particularly deductions related to small business.

3. Insurance

Most businesses with assets require some kind of insurance. Remember, it is important to deal with a reputable insurance agent who can offer reasonable rates. It is important that you have adequate coverage in the case of a disaster. Some of the kinds of insurance that should be considered are:

- **Fire insurance** - against fire, explosion, wind and riot
- **Liability insurance** - against someone becoming injured on the business premises
- **Crime coverage** - against losses from robbery or employee dishonesty
- **Business interruption insurance** - provides for employee wages and lost income due to business interruption caused by theft or fire
- **Fidelity bonds** - cover losses from employees with access to company funds.

4. Patent Laws

Some small business owners start out as independent inventors, and subsequently form a company to market a successful invention. It is important, in such a case, to contact a patent lawyer. The lawyer should ensure that your patent is registered with the Canadian Patent Office (CPO). The process can take up to three years to complete, and can be quite expensive.

To prove that you are patenting a new idea, you may have to provide drawings and undertake searches. You will be charged fees for services by a patent agent.

When a patent is granted, it is good for 17 years. This patent gives the owner the right to sue any individual who attempts to use the idea without permission. If this problem should arise however, the inventor may have to go to court, and this can be an expensive proposition.

A patent only protects an inventor in the country in which it is granted. Someone else can market your idea in a country in which you are not patented.

If a business owner is interested in obtaining information on new products, she can contact the Canadian Patents and Developments Ltd. Again, the address can be found in the Important Addresses List section of this manual.

II. OBTAINING LEGAL ADVICE

1. When to Seek Legal Advice

There are times, in the course of running a business, when the owner must rely on the skills and experience of experts. It is important to recognize these situations, and to call on the appropriate individual for assistance. Legal matters, in many cases, require the services of a lawyer, preferably one who specializes in assisting small business owners.

It is important to seek legal advice in the following instances:

- when setting up a partnership agreement,
- to ensure that the business is carrying out correct corporate procedures,
- when leasing or buying property,
- when buying or selling a business,
- when writing or signing legal agreements,
- to obtain advice that can result in reducing taxes,
- to discuss the implications of a possible separation or divorce on the assets and affairs of your business.

It is important to have a lawyer read through all your business-related contracts **before** you sign them. This is done for your own protection as there are no consumer protection laws which protect small business deals.

There are also times when the services of a lawyer are necessary to prepare a legal document to fit the specific needs of the business. In some cases, a business will require a legal document to be signed by customers, which will ensure that the business will not be held responsible for personal injury, loss or damage by the customer. Other business owners may require a standardized contract which ensures that they retain the rights to all materials produced by their employees.

When using the services of a lawyer is clearly recommended, trying to avoid the expense can end up being very costly for the small business owner.

To research legal issues, contact the library of the Calgary Legal Guidance Centre, (234-9266) or the Legal Resource Centre in Edmonton, (492-5732). These Centres provide legal information to the public.

2. Finding a Lawyer

There are a number of ways that you can go about finding a lawyer who is suitable for your business. The following suggestions should provide you with a starting point:

- Talk to other small business owners who can recommend the services of a lawyer they have used satisfactorily.
- Contact the Bar Association to obtain a list of lawyers in the area who specialize in small business law.
- Contact the Law Society of Alberta (1-800-661-1095). They have a referral service which will provide you with the names of three lawyers with experience in your area. The referral service allows you a thirty minute first interview with each lawyer at no charge. Thereafter you will be charged the lawyer's normal fee.
- If you are specifically interested in a woman lawyer, contact the National Association of Women and the Law. There are also several other agencies listed in the Important Addresses List section of this manual which can assist you in finding a woman lawyer.

3. Choosing the Right Lawyer

When choosing a lawyer, it is important to find one that specializes in small business. Preferably the lawyer will also have experience in contracts. When choosing a lawyer for your business, try to get answers to the following questions:

- What is the lawyer's special area of experience and how long has the lawyer been practicing in that area?
- Does the lawyer deal primarily with large corporations or are the services geared towards individual clients?
- How many small business clients does the lawyer handle?
- Have other small business clients been satisfied with the services provided by the lawyer?
- Will the lawyer be doing your work or will she/he be delegating responsibility to another employee?
- Does the lawyer seem interested in your goals, is she/he a good listener, and does she/he take notes during the discussion?
- Are all legal terms explained to you by the lawyer in language that you can easily understand?
- Is the lawyer clear about fees, and about her/his availability to clients?

Once you have chosen a lawyer, it is important to make the best possible use of the legal services. Prepare for each visit to the lawyer's office by writing out the questions you want to cover during the visit. This should save you time in the office and keep your legal costs to a minimum.

Before contacting your lawyer, find out if the advice you need is available from another source, such as a free government legal expert.

4. Legal Fees

Before making a final decision on a lawyer, it is important to discuss legal fees. If a lawyer cannot estimate his/her fees, don't use him/her. Most lawyers charge by the hour. Rates can range anywhere from \$100 to \$175 per hour. You should be aware that most lawyers charge for telephone consultations as well as office visits. Call your lawyer only when you have an important matter to discuss.

Agreements can be made to keep a lawyer on retainer. In this case, a regular, monthly fee is charged, and you can call on the lawyer whenever necessary. Most small businesses, however, do not require this type of service.

If you feel that you have been poorly treated or overcharged by your lawyer, report your case to the Law Society of Alberta. The address is available in the Important Addresses section of this manual.

L.**ACTION****Purpose**

To provide women attending the workshop with the opportunity to develop a plan of action for starting their own business. This module also contains various types of reference which will be of use to women who are starting their own businesses.

Objectives

After completing this module, participants will be able to:

- Utilize the action plan form provided to set timelines for the remaining tasks involved in developing their businesses.
- Utilize the references provided to obtain specific information for their businesses.

I. PLAN OF ACTION

Having completed this workshop, you are well aware of the planning that is required before you can open the doors of a new business. The outline that follows will serve as a guide to developing your action plan. It will assist you in determining what you have already accomplished, and at the same time, help you plan for those tasks that must still be undertaken.

Keep in mind that your plan should be tailor-made for you. You may not have to fill in all of the spaces provided. When you have identified a task that you must complete, be sure to set a completion date which provides you with a realistic length of time to achieve your goal. And when you finish a task, place a check in the completed column. It will give you a great deal of satisfaction to see how much you have accomplished, and to know that with each tick you are one step closer to achieving your goal.

ACTION PLAN

Steps involved in starting a new business	Task to be done or task already done	Date to be Completed	Completed
Self-assessment <i>Example: examine personal lifestyle, financial concerns, etc.</i>	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Determine type of business to start <i>Example: buy an existing business, start a new business</i>	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Develop a business idea	_____	_____	_____
	_____	_____	_____
Research the business idea	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Determine type of business organiza- tion for the business	_____	_____	_____

Research the market	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Research the competition	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Determine the sales approach	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Determine advertising options <i>Example: print, media</i>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Decide on Location	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Plan Human Resources	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Decide on management philosophy	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Obtain expert advice <i>Example: accountant</i>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Prepare written business plan	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Obtain legal advice and assistance	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Obtain Financing	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Implement the Plan	<hr/>	<hr/>	<hr/>

II. IMPORTANT ADDRESSES LIST

Throughout this workshop, references have been made to a number of organizations, agencies and government department that are designed to assist women who are starting their own businesses. The following addresses and phone numbers have been put together for easy reference.

Federal Authorities

Business Information	Business Information Centre c/o Federal Business Development Bank Metropolitan Place 606, 10303 Jasper Ave. Edmonton, Alberta T5J 3N6 Telephone: 495-2277	
Copyrights Industrial Designs Patents	Commissioner of Patents Department of Consumer & Corporate Affairs Ottawa-Hull, Canada K1A 0C9 Telephone: 997-1936 Registrar Of Trademarks Department of Consumer & Corporate Affairs Ottawa-Hull, Canada K1A 0C9 Telephone: 997-1420	
Customs	Revenue Canada Taxation Canada Place 9700 Jasper Ave. Edmonton, Alberta T5J 4C3 Telephone: 420-3510	Harry Hays Building 220 - 4 Ave. SE Calgary, Alberta T2P 2M7 Telephone: 292-4610
Export Assistance Foreign Investment Review Board	Industry, Science & Technology #504, Canada Place 9700 Jasper Ave. Edmonton, Alberta T5J 4C3 Telephone: 495-2944	#630, 220 - 4 Ave SE Calgary, Alberta T2P 3C3 Telephone: 292-4575

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Employment	Canada Employment & Immigration Commission Canada Place 9700 Jasper Ave. Edmonton, Alberta T5J 4C3 Telephone: 420-2207	Harry Hays Building 220 - 4 Ave. SE Calgary, Alberta T2P 3C2 Telephone: 292-4821
	Labour Canada 3rd Floor, Energy Square 10109 - 106 St. Edmonton, Alberta T5J 3L7 Telephone: 495-2993	Harry Hays Building 220 - 4 Ave SE Calgary, Alberta T2P 3C3 Telephone: 292-4566
Immigration	Canada Employment & Immigration Commission Liberty Building 200, 10506 Jasper Ave. Edmonton, Alberta T5J 2W9 Telephone: 495-2100	Harry Hays Building 220 - 4 Ave. S.E. Calgary, Alberta T2P 3C2 Telephone: 292-5724
Income Tax Source Deductions	Revenue Canada Canada Place 9700 Jasper Ave. Edmonton, Alberta T5J 4C3 Telephone: 420-3510	Harry Hays Building 220 - 4 Ave. SE Calgary, Alberta T2P 3C2 Telephone: 292-4101
Packaging Weights and Measures	Department of Consumer & Corporate Affairs 10225 - 100 Ave. Edmonton, Alberta T5J 0A1 Telephone: 495-2491	510 - 12 Ave. SW 3rd Floor Calgary, Alberta T2R 0H3 Telephone: 292-5605
Sales & Excise Tax	Revenue Canada Taxation Canada Place 9700 Jasper Ave. Edmonton, Alberta Telephone:	Box 2525, Station M Calgary, Alberta T2P 3B7 Telephone: 292-5678
Unemployment Insurance	Unemployment Insurance Commission Canada Place 9700 Jasper Ave. Edmonton, Alberta T5J 4C3 Telephone: 420-2207	Harry Hays Building 220 - 4 Ave. SE Calgary, Alberta T2P 3C2 Telephone: 292-4821

Provincial Authorities

Alberta Economic Development and Trade

Head Office
12th Floor, Sterling Place
9940 - 106 St.
Edmonton, Alberta
T5K 2P6
Telephone: 427-0669

Small Business Division
6th Floor, Sterling Place
9940 - 106 St.
Edmonton, Alberta
T5K 2P6
Telephone: 427-3685

Calgary
5th Floor
999 - 8 St. SW
Calgary, Alberta
T2R 1J5
Telephone: 297-6284

Camrose
4909 - 48 St.
Camrose, Alberta
T4V 1L7
Telephone: 679-1235

Edson
Provincial Building, 204
Bag 9000
111 - 54 St.
Edson, Alberta
T0E 0P0
Telephone: 723-8229

Grande Prairie
Provincial Building
1401, 10320 - 99 St.
Grande Prairie, Alberta
T8V 6J4
Telephone: 538-5230

Lethbridge
Provincial Building
249, 200 - 5 Ave. S.
Lethbridge, Alberta
T1J 4C7
Telephone: 381-5414

Medicine Hat
Provincial Building
217, 770 - 6 St. SW
Medicine Hat, Alberta
T1A 4J6
Telephone: 529-3630

Peace River

Bag 900, Box 3
10122 - 100 St.
River Drive Mall
Peace River, Alberta
T0H 2X0
Telephone: 624-6113

Red Deer

3rd Floor, Provincial Building
4920 - 51 St.
Red Deer, Alberta
T4N 6K8
Telephone: 340-5300

St. Paul

Box 1688
Provincial Building
5025 - 49 Ave.
St. Paul, Alberta
T0A 3A0
Telephone: 645-6358

Alberta Health Care Insurance Commission

10025 Jasper Ave.
Edmonton, Alberta
T5J 3Z3
Telephone: 427-1400

2nd Floor, McLaws Building
407 - 8 Ave. SW
Calgary, Alberta
T2P 1E5
Telephone: 297-6411

**Apprenticeship Branch & Trade Certification
Alberta Career Development and Employment**

3rd Floor, 10050 - 112 St.
Edmonton, Alberta
T5K 1J2
Telephone: 427-3722

855 - 8 Ave. SW
Calgary, Alberta
T2P 3P1
Telephone: 297-6457

Labour Relations Board

503, 10808 - 99 Ave.
Edmonton, Alberta T5K 0G5
T5K 0G5
Telephone: 427-8547

Tower 3
1212 - 31 Ave. NE
Calgary, Alberta
T2E 7S8
Telephone: 297-4333

Central Registry

Department of the Attorney General

J.E. Brownlee Building
5th Floor, 10365 - 97 St.
Edmonton, Alberta
T5J 3W7
Telephone: 427-5104

J.J. Bowlen Building
3rd Floor
620 - 7 Ave. SW
Calgary, Alberta
T2P 2R4
Telephone: 297-6257

**Corporate Registry
Alberta Consumer & Corporate Affairs**

J.E. Brownlee Building
8th Floor, 10365 - 97 Street
Edmonton, Alberta
T5J 3W7
Telephone: 427-2311

J.J. Bowlen Building
902, 620 - 7 Ave. SW
Calgary, Alberta
T2P 2R4
Telephone: 297-3442

**General Safety Services
Division Alberta Labour**

1001, 10808 - 99 Ave.
Edmonton, Alberta
T5K 0G2
Telephone: 427-3680

2nd Floor, 1212 - 31 Ave. NE
Calgary, Alberta
T2E 7S8
Telephone: 297-5753

**Employment Standards Branch
Alberta Labour**

403, 10339 - 124 Street
Edmonton, Alberta
T5J 3W1
Telephone: 427-3731

Tower 3
1212 - 31 Ave. NE
Calgary, Alberta
T2E 7S8
Telephone: 297-4339

Workers' Compensation Board

Box 2415, 9912 - 107 Street
Edmonton, Alberta
T5J 2S5
Telephone: 427-1100

132 - 16 Ave. NE
Calgary, Alberta
T2E 1J5
Telephone: 297-3460

III. REASONS FOR BUSINESS FAILURE

Having successfully completed this workshop, we hope that not one of the participants will fall into any of the traps that are listed on this page. However, it doesn't hurt to have a reminder of the reasons that are most frequently cited as being the cause of a failing business.

1. Making poor or wrong market identification where the business owner lacks an understanding of the market she is entering. The result may be poor pricing, badly directed marketing, false market size, or not recognizing the strength of the competitor.
2. Failing to prepare a proper business plan.
3. Going ahead with too little start-up capital.
4. Underestimating start-up costs.
5. Failing to find back-up money for emergencies.
6. Failing to arrange firm terms with suppliers. Changes in supply delivery time, for example, can affect production.
7. Growing too fast.
8. Lacking the commitment in time and energy to the business.
9. Doing well for a time and taking continued success for granted.
10. Lacking experience and failing to seek help.
11. Succumbing to pressures at home affecting the owner/manager.
12. Having difficulty in hiring good employees.
13. Having poor communications with members of the staff.

Adapted from: Jennings, William E. *Entrepreneurship: A Primer for Canadians*. Canadian Foundation for Economic Education, Toronto: 1985.

RURAL WOMEN AS BUSINESS ENTREPRENEURS

WORKSHOP EVALUATION

Your comments on this form are entirely confidential and are intended only to help us make necessary modifications to future workshop. Thank you for your input.

1. What were your expectations of this workshop today?

2. Which expectations were met and in what way? _____

3. Please comment on the following:

a) I really liked: _____

b) May I suggest: _____

c) I'd like to hear more about: _____

4. Comments on workshop leader(s): _____

5. Other comments please: _____

RURAL WOMEN AS BUSINESS ENTREPRENEURS

WORKSHOP EVALUATION

LEADER'S VERSION

We would appreciate it if you would take the time to complete the following Evaluation Form and return it to us at the following address:

Women's Career Resources
Alberta Career Development & Employment
9th Floor, 10155 - 102 Street
Edmonton, AB T5J 4L5

Name: _____

Business: _____

Address: _____

City/Town: _____ Province: _____

Number of Participants: _____

1. How would you rate the material in the leader's guide/workshop manual?

Overall	Excellent	Good	Fair	Poor
Group Leaders' Handbook	Excellent	Good	Fair	Poor
A. Introduction	Excellent	Good	Fair	Poor
B. Deciding	Excellent	Good	Fair	Poor
C. Starting	Excellent	Good	Fair	Poor
D. Planning	Excellent	Good	Fair	Poor
E. Researching	Excellent	Good	Fair	Poor
F. Marketing	Excellent	Good	Fair	Poor
G. Operating	Excellent	Good	Fair	Poor
H. Financial	Excellent	Good	Fair	Poor
I. Writing	Excellent	Good	Fair	Poor
J. Financing	Excellent	Good	Fair	Poor
K. Law	Excellent	Good	Fair	Poor
L. Action	Excellent	Good	Fair	Poor

2. What are the major strengths of the workshop?

3. What are the major weaknesses of the workshop?

4. What suggestions for improvement would you offer?

5. How did you adapt the workshop to meet your requirements?

6. What community needs did the workshop address?

7. Overall, what was the response of the participants to the workshop?

Excellent Good Fair Poor

8. Other Comments:

N.L.C. - B.N.C.



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